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Investing in rural people

Managing Risks to Create Opportunities

Social, Environmental and Climate Assessment Procedures of IFAD 2020

Note to Executive Board representatives

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For: Review

Contents

Appendices

Abbreviations and acronyms

IFI	international financial institution
NSO	non-sovereign operation
PDR	project design report
PDT	project delivery team
SECAP	Social, Environmental and Climate Assessment Procedures of IFAD

Executive summary

I. IFAD's commitment to advancing sustainable development

1. IFAD remains committed to promoting social, environmental and climate solutions going beyond "risk management" to maximize development gains. The Fund believes that social, environmental and climate sustainability is fundamental to delivering on its mandate, and recognizes that projects and programmes that foster such sustainability are a paramount priority. IFAD launched its first Social, Environmental and Climate Assessment Procedures (SECAP) on 1 January 2015 and the procedures were subsequently updated in 2017.[1]

2. This update to the SECAP, or SECAP 2020, takes into consideration the 2030 Agenda for Sustainable Development and other international agreements.[2] It aims to ensure that IFAD's operations leave no one behind and that sustainable development is achieved for all – especially the poorest and most vulnerable to climate change. SECAP 2020 adheres more closely to IFAD's guiding values and principles. It defines improved procedures for assessing social, environmental and climate risks to enhance the sustainability of the programmes and projects that IFAD supports. It represents an important step in IFAD's integration of social, environmental and climate considerations in its interventions.

3. SECAP 2020 will replace and supersede the current SECAP and will apply to all investments in the Fund's programme of loans and grants, as well as to jointly financed initiatives and non-sovereign operations (NSOs). The final updated SECAP will apply to projects entering the pipeline in 2021 (the cut-off date for approval of all project concept notes by the Operational Strategy and Policy Guidance Committee is to be determined). The new mandatory requirements and standards contained in SECAP 2020 will not be applied retroactively.

II. Why update SECAP 2017?

4. There is a growing recognition of the potential reputational risk to IFAD if environmental and social threats and impacts arising from IFAD-supported projects are not effectively identified and managed. IFAD is now updating SECAP to better:

   (i) Respond to changes in IFAD's business model;

   (ii) Align with good international best practices; and

   (iii) Cover new and emerging environmental and social issues that are increasingly relevant to IFAD's operations, but with which the Fund has less experience.

5. Emerging issues include: non-discrimination, gender-based violence – including sexual exploitation and abuse – disability, stakeholder engagement, grievance redress mechanisms and climate change mitigation. In addition, labour and working conditions, private sector operations, and the links with procurement need to be covered more fully than in the current SECAP. Furthermore, in its approach to enterprise risk management, IFAD needs to align risk-taking and risk mitigation with social, environmental and climate standards.

[1] https://www.ifad.org/en/document-detail/asset/39563472.
[2] The 2030 Agenda and its 17 Sustainable Development Goals, the Paris Climate Agreement, the Sendai Framework for Disaster Risk Reduction and the Addis Ababa Action Agenda on financing sustainable development.

6. Updating the SECAP offers an opportunity to address the above issues and ensure that IFAD-supported projects effectively manage risks, maximize opportunities and do no environmental or social harm. SECAP 2020:

   (i) Draws on the lessons learned in the three years of implementing SECAP 2017, and provides the necessary directives to put into practice and reinforce key priorities stated in relevant IFAD policies and strategies;

   (ii) Makes strong progress towards broader coverage of social and climate issues, and as a result improves IFAD's approach to risk management;

   (iii) Sets out the mandatory requirements and other elements that must be integrated throughout project life cycles;

   (iv) Supports borrowers/recipients in their efforts to reduce poverty, generate sustainable environmental and social benefits, build national capacity, fulfil their commitments towards the Sustainable Development Goals and advance individual countries' nationally determined contributions under the Paris Agreement; and

   (v) Ensures greater convergence with the social, environmental and climate standards of other multilateral financial institutions, with the United Nations Model Approach to Environmental and Social Standards, and with global funds such as the Green Climate Fund and the Global Environment Facility.

III. What are the procedural changes in SECAP 2020?

7. In comparison to the current version, SECAP 2020 introduces six new aspects and improves on five pre-existing ones. They are:

   (i) **An online social, environmental and climate screening tool** for IFAD-supported loans, financial intermediaries and NSOs (NEW);

   (ii) **Broader coverage of social risks and emerging issues** (NEW);

   (iii) **A climate change standard** (both adaptation and mitigation), established for the first time (NEW);

   (iv) **An exclusion list,** tailored to IFAD's mandate and comparative advantage (NEW);

   (v) **More reliance on borrower/recipient and partner safeguards, including clearer roles and responsibilities** for IFAD, borrowers/recipients, cofinanciers, associated facilities, contractors and suppliers. Included are a new environmental and social due diligence process for NSOs and new guidelines for use by contractors. In addition, new standard bidding documents take into account SECAP requirements (NEW);

   (vi) **Shift from a three-tier risk rating** (A, B or C) **to a four-tier rating** (high, substantial, moderate, or low) in line with IFAD's enterprise risk management – with corresponding implications for requirements and oversight (NEW);

   (vii) **An integrated and automated management information system** across the project cycle to strengthen tracking of safeguards compliance, ensure compliance with the subcategorization of financial intermediary operations, project risk ratings and safeguard reporting. This would sharpen focus on delivery and results (IMPROVED);

   (viii) **Clear distinction between "maximizing development gains" (mainstreaming) and "risk management" (standards)** while establishing systematic cross-support linkages between the two areas. Mainstreaming themes are supported via a specific guidance note for the first time (IMPROVED);

(ix) **Updated environmental and social standards and related guidance notes** intended for IFAD's borrowers/recipients and clients to better support them in managing social, environmental and climate impacts and risks (IMPROVED);

(x) **Greater focus on stakeholder engagement and grievance redress mechanisms** to increase institutional transparency, accountability and learning (IMPROVED); and

(xi) **Improved balance between project design and implementation** and increased responsiveness – adaptive risk management and proportionality (IMPROVED).

IV. Why does IFAD need to apply SECAP 2020?

8. Environment and climate issues are particularly important to rural people, who largely depend on natural resources and hence are more vulnerable to environmental degradation, pollution and climate change. The depletion of shared resources may generate or further exacerbate conflicts among populations. The threats to the global commons such as loss of biodiversity, increased water scarcity and growing inequality present additional challenges.

9. The draft SECAP 2020 clearly sets out an enhanced risk assessment process that recognizes the heterogeneity of responses, given the widely varying conditions existing in different countries and communities. Through better risk identification, SECAP 2020 aims to better manage environmental and social risks and more effectively address climate change. The procedures are not an articulation of IFAD's ambitious social, environmental and climate mainstreaming efforts. Nor do they represent their entirety. The Fund's wider efforts on these cross-cutting themes are set out in its Strategic Framework 2016-2025 and other related policy and strategic documents.

10. SECAP 2020 identifies the entry points to integrate social, environmental and climate dimensions into IFAD operations, including policy dialogue. The procedures are closely aligned with IFAD's new project design and review process as well as supervision, implementation and completion procedures.

11. SECAP 2020 is aligned with international best practices and makes significant progress in new and emerging safeguard areas. It enables IFAD to:

(i) Ensure greater harmonization with similar procedures regarding borrowers/recipients and international financial institutions (IFIs);

(ii) Avoid potential reputational damage as a result of being perceived as working to lower standards than those of peer institutions;

(iii) Access significant climate and environment financing from the Adaptation Fund, the Global Environment Facility and the Green Climate Fund, for example; and

(iv) Improve decision-making and strengthen the sustainability of project outcomes.

V. What process was followed in revising SECAP 2017?

12. The draft SECAP 2020 has greatly benefited from inputs in a broad and transparent consultation process. Internally, the interdivisional SECAP review group, IFAD staff and IFAD Management have reviewed it. The draft has been peer-reviewed by United Nations organizations, IFIs and related peer networks. Finally, consultations were held with IFAD's existing stakeholder groups and networks (e.g. farmers' organizations, International Land Coalition and indigenous peoples' groupings) and other interested entities. The consultation process helped to:

(i) Ensure alignment with international standards and operational realities;

(ii) Improve clarity, consistency and coherence with IFAD's operational processes;

(iii) Ensure a balance between climate adaptation and mitigation issues;

(iv) Adopt an approach that focuses on risk management, results and sustainability; and

(v) Promote harmonized approaches on safeguard practices across multilateral financial institutions while tailoring them to IFAD clients.

VI. Who is the target audience of SECAP 2020?

13. SECAP 2020 is primarily intended for borrowers/recipients and partners, project management units and IFAD project delivery teams (PDTs) who would typically be responsible for developing and implementing IFAD-supported programmes and projects**.** It is meant to enable IFAD borrowers/recipients and partners to fulfil shared social, environmental and climate adaptation objectives. To enforce the operationalization of SECAP 2020, IFAD Management will issue a President's Bulletin to bring the procedures into effect.

VII. How is SECAP 2020 presented?

14. The updated SECAP consists of three volumes:

(i) **Volume 1** covers:

- **SECAP overview and procedures**, setting out IFAD's aspirations on environmental sustainability, social inclusion and climate adaptation/mitigation. The volume has the information necessary to formalize IFAD's approach on these issues throughout the project cycle. It provides mandatory requirements for IFAD-supported projects.
- **Mainstreaming themes**, which focus on the corporate mainstreaming commitments that need to be reflected in IFAD country strategies and project documents as well as in project activities. This component highlights opportunities for mainstreaming, including cross-thematic mainstreaming, through the use of recommended assessment approaches and technical tools, as well as guidance materials and other resources.
- **SECAP in the project cycle,** which describes the due diligence process that borrowers/recipients/partners and IFAD PDTs should follow to meet the requirements of the standards (see below) at each stage of the project cycle.
- **The standards** – a set of nine mandatory operational social, environmental and climate standards that should be respected through the project life cycle. The standards are directed predominantly at borrowing governments and private sector partners, which are responsible for undertaking social, environmental and climate risk assessments, and for implementing projects; and
- **Specific requirements** that apply to NSOs and to all contractors engaged in IFAD-supported projects.

(ii) **Volume 2** contains a set of 10 non-mandatory guidance notes to assist borrowers/recipients/partners in implementing the standards and mainstreaming requirements, and IFAD and project staff in conducting due diligence and implementation support. The number of guidance notes is limited to what is required to achieve the objectives and optimal functioning of the procedures; and

(iii) **Volume 3** comprises templates/checklists to assist borrowers/recipients and partners in conducting SECAP assessments/studies, and PDTs in conducting due diligence throughout the project cycle.

A. Overview and procedures

15. SECAP 2020 sets out IFAD's commitments to, and responsibilities for, social inclusion and environmental and climate sustainability. As a starting point, IFAD has defined a set of guiding principles and specific requirements designed to avoid, minimize, reduce or mitigate any adverse impacts from its supported projects. Based on its existing policies and procedures, IFAD will:

    (i) Not knowingly finance projects that would contravene national laws;

    (ii) Not knowingly finance, directly or indirectly, activities mentioned in the IFAD exclusion list;

    (iii) Identify vulnerable people or groups who may be disproportionately affected by its projects and implement relevant mitigation measures;

    (iv) Promote the conservation, rehabilitation and sustainable use of natural resources and key ecosystems in an integrated manner;

    (v) Recognize the importance of addressing both the causes and the consequences of climate change in the countries where IFAD operates;

    (vi) Minimize adverse social and environmental impact;

    (vii) Address gender-based violence and discrimination, and promote gender equality;

    (viii) Ensure stakeholder feedback, with special emphasis on the participation of, and benefits to, women, youth, people with disabilities and site-specific targeted groups;

    (ix) Improve the livelihoods of indigenous peoples and other marginalized groups;

    (x) Avoid involuntary resettlement wherever possible;

    (xi) Promote sound agricultural and manufacturing processes;

    (xii) Undertake compliance monitoring;

    (xiii) Ensure transparency and accountability throughout the life cycle of projects;

    (xiv) Mainstream social inclusion and environmental and climate sustainability into IFAD's project cycle;

    (xv) Support borrowers/recipients/partners in achieving good international practices; and

    (xvi) Focus on procurement processes to ensure that borrowers/recipients/partners require contractors to comply with SECAP.

16. The application of SECAP 2020 using appropriate tools and methods will help to identify project-specific social, environmental and climate risks and impacts, and ensure that appropriate preventive actions and/or mitigation measures are incorporated into project design and implementation. SECAP's application will be in line with the respective SECAP country strategic opportunities programme/country strategy note background study.

17. The assessments and studies required to identify risks at the design stage are primarily the responsibility of the borrowers/recipients/partners, including any further assessment/study needed during project implementation. The costs of preparing the background studies are covered by the borrower/recipient/partner. Assessments/studies undertaken during implementation are included in the project costs. IFAD will support the process to ensure both SECAP and national standards

are met and implemented in ways that recognize and enhance any capacity development issues pertaining to the stakeholders. The guidance notes in Volume 2 of the SECAP provide further details on the roles and responsibilities associated with each requirement.

18. For projects jointly financed with other bilateral or multilateral funding partners, IFAD may agree that those partners' social, environmental and climate policy and procedures/requirements will be applied, provided that they are equivalent to IFAD's SECAP and enable the project to achieve objectives consistent with IFAD standards. If IFAD is not the initiating or leading institution, the Fund will perform additional due diligence to (i) complete the social and environmental assessment and climate risk analysis; and/or (ii) conduct a gap analysis of already conducted assessments/studies to ensure the updated SECAP requirements are met. In any case, a common approach to project assessment, management and monitoring of social, environmental and climate impacts will be agreed on in writing with partners.

19. SECAP 2020 further includes provisions on project-level grievance redress mechanisms to complement IFAD's complaints procedure. All projects are required to adopt an easily accessible grievance mechanism to receive and resolve any concerns and complaints from people who may be unduly or adversely affected, or potentially harmed by IFAD-supported projects. For cofinanced projects, IFAD will agree on a common approach to receiving, resolving and reporting complaints. Any complaints of sexual harassment and/or sexual exploitation and abuse received will be forwarded immediately to IFAD's Ethics Office for further action. A separate grievance redress mechanism may be established for workplace concerns.

B. Mainstreaming IFAD's priority themes

20. SECAP-related procedures and assessments can and should do more than avoid risks. They will be used to fully mainstream social, environmental and climate issues throughout the project cycle. Clear procedures on IFAD's mainstreaming priority themes (youth, gender, environment and climate change, and nutrition) are an important element of SECAP 2020. Chapter 2 of Volume 1 sets out how the procedures can be used to:

    (i) Analyse and provide information to strengthen the social, environmental and climate dimensions of projects and programmes;

    (ii) Maximize positive social and environmental impact, and climate change adaptation and mitigation benefits; and

    (iii) Strengthen social inclusion for enhanced decision-making and ownership of the environmental and social sustainability of projects.

21. Volume 2 of SECAP 2020 includes a guidance note that highlights entry points for promoting mainstreaming of IFAD's priority themes, proposes assessments that can be used as opportunities for mainstreaming and provides an overview of key sources of data, tools, methods and approaches to support borrowers/recipients/partners and the PDT.

C. SECAP in the project cycle

22. Chapter 3 of Volume 1 sets out the SECAP steps to be taken during the project cycle. The SECAP process can be divided broadly into four steps:

    (i) Screening and categorization (concept stage);

    (ii) Assessment (design stage to Executive Board approval);

    (iii) Monitoring (project implementation); and

    (iv) Evaluation (project completion).

23. SECAP 2020 includes a shift from a three-scale risk rating to a four-scale rating (high, substantial, moderate and low) in line with IFAD's Enterprise Risk Management Framework. Each project is screened against the nine SECAP standards to identify the main social, environmental and climate impacts and risks associated with the potential project. This screening results in a proposed environmental and social category and climate risk classification for the project, together with the necessary actions to address the associated social, environmental and climate risks.

24. Risk categories are determined according to the nature and sensitivity of the project location, the significance and magnitude of potential risk and impact, and of cumulative and induced impact. The new SECAP screening tool with guiding questions will help to determine the risk category. In addition, the tool includes specific thresholds concerning fishery, resettlement and infrastructure development activities. For projects with several components/subprojects, the highest subsidiary risk category will be considered as the overall risk category of the project.

25. Any risks or potentially adverse impacts on disadvantaged groups, women, men, youth, indigenous peoples, persons with disabilities and others are identified as early as possible as part of screening and reflected in the SECAP review note. This includes identifying different risks and impacts by gender and age where relevant, as well as adverse impacts in terms of gender-based violence, including sexual exploitation and abuse. The screening exercise also allows IFAD to highlight investments with a higher potential for climate adaptation and greenhouse gas emissions, and the probability of losses/damages from climate-related events. Such screening can also help IFAD make a case for the allocation of additional climate finance.

26. SECAP risk analyses will be fully captured in the SECAP review note and summarized in the integrated project risk matrix under the environment and climate context and environment, social and climate impact risk categories.[3] The project risk category/classification and implementation of required risk management plans are monitored on a regular basis throughout the project and updated as necessary. All projects that are upgraded to high risk during implementation will be brought to the Executive Board for approval in accordance with the IFAD Policy on Project Restructuring.

D. Borrower/recipient/partner requirements: the social, environmental and climate standards

27. The nine SECAP standards set out the requirements that borrowers/recipients/partners and the project should meet through the project life cycle, as follows:

- Standard 1. Biodiversity conservation
- Standard 2. Resource efficiency and pollution prevention
- Standard 3. Cultural heritage
- Standard 4. Indigenous peoples and historically underserved local communities
- Standard 5. Labour and working conditions
- Standard 6. Community health and safety
- Standard 7. Physical and economic resettlement

[3] These risk categories are broadly defined as follows: environment and climate context (i.e. risks that existing or possible future environmental or climate conditions may significantly undermine project implementation and the achievement of project development objectives); and environment, social and climate impact (i.e. risks of a project causing unintended negative consequences, notably, negative environmental, social or climatic impacts).

- Standard 8. Financial intermediaries and direct investments
- Standard 9. Climate change

28. Each standard is accompanied by a guidance note providing background information on the requirements, guidance on steps to take and roles and responsibilities, and support for screening, assessing and monitoring associated risks.

E. SECAP steps and requirements in the NSO project cycle

29. Annex III of SECAP 2020 Volume 1 sets out the SECAP approach for NSOs to promote environmental, social and governance requirements and address risks at each stage of an NSO project cycle. Environmental, social and governance due diligence will be performed to determine the project's environmental and social risk category and climate risk category (high, substantial, moderate or low). The risk screening takes into consideration the risks and impacts of the proposed projects, as well as the profile of the NSO's existing and proposed portfolio.

F. SECAP standards in the procurement process

30. SECAP 2020 also has implication for the design, tendering and supervision of projects' procurement arrangements. Borrowers/recipients/partners should require that all contactors/subcontractors and primary suppliers engaged in IFAD-funded projects operate in a manner consistent with the SECAP standards. Annex IV of SECAP 2020 Volume 1 describes the role of IFAD procurement staff in the planning, design and supervision of IFAD-funded projects and the steps to be taken to ensure compliance with the nine SECAP standards.

VIII. How is SECAP 2020 linked with other organizational processes?

31. In order to ensure that SECAP 2020 is fit for purpose, it will be systematically applied and integrated throughout the project cycle. This will be achieved through synergies with existing, relevant IFAD frameworks, policies, accountabilities, systems and support mechanisms.

32. They include: Targeting Policy: Reaching the Rural Poor (2008); Policy on Improving Access to Land and Tenure Security (2008); Policy on Engagement with Indigenous Peoples (2009); Rural Finance Policy (2009); IFAD Policy on the Disclosure of Documents (2010); IFAD Policy on Gender Equality and Women's Empowerment (2012); Environment and Natural Resource Management Policy (2012); IFAD Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse (2018); IFAD Policy on Project Restructuring (2018); Framework for Operational Feedback from Stakeholders (2019); IFAD Rural Youth Action Plan 2019-2021; Mainstreaming Gender-transformative Approaches at IFAD – Action Plan 2019-2025, IFAD Private Sector Engagement Strategy 2019-2024; IFAD Strategy and Action Plan on Environment and Climate Change 2019-2025; Mainstreaming Nutrition in IFAD – Action Plan 2019-2025; Revised Operational Guidelines on Targeting (2020); Implementation, Supervision and Project Completion Guidelines (2020); and Framework for IFAD non-Sovereign Private Sector Operations (2020).

33. In addition, the updated SECAP will work to complement other IFAD initiatives and systems, including:

(i) Adaptation for Smallholder Agriculture Programme priorities;

(ii) Results and impact management indicators;

(iii) New project design;

(iv) Annual portfolio reviews;

(v) COVID-19 guidelines;

(vi) Project evaluations; and

(vii) Operations Results Management System.

IX. How will SECAP 2020 be further refined?

34. SECAP 2020, including the guidance notes, is a "live" document subject to continuous improvement,[4] based on:

(i) Knowledge and experience gained as IFAD policies and priorities change;

(ii) Challenges experienced during implementation;

(iii) The emergence of new safeguard issues; and

(iv) Insights from comparator organizations.

35. IFAD will continuously monitor and evaluate the performance of its projects, and provide tailored training on the substance and tools of SECAP 2020 to borrowers, recipients, partners and IFAD staff.

X. How will borrower/recipient, IFAD and project capacities be built in the future?

36. Capacity-building is about both strengthening borrower capacity and strengthening national and project systems where they interact with IFAD-supported projects; and about IFAD's own ability to support countries navigate social, environmental and climate risks. IFAD will actively pursue opportunities to organize capacity-building in social, environmental and climate standards performance.

37. IFAD will be closely connected to global networks and United Nations and other organizations and will set up a community of practice on SECAP application among its practitioners (staff, consultants, and project personnel) to learn from experience and to effectively communicate across the organization and its projects. IFAD's Operations Academy will continue to be used for awareness-training.

[4] This will be carried out in close coordination with the Programme Management Department, project implementation units and development partners, including IFIs and client countries.

IFAD

Updated Social, Environmental and Climate Assessment Procedures

Volume 1

DRAFT OF 8 OCTOBER 2020

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• ABBREVIATIONS AND ACRONYMS

BAP	Biodiversity Action Plan
BMP	Biodiversity Management Plan
CBD	Convention on Biological Diversity
CESCMP	Contractor's Environmental, Social and Climate Management Plan
CICES	Common International Classification of Ecosystem Services
COSOP	Country strategic opportunities programme
CSN	Country strategy note
DRM	Design review meeting
ECG	Environment, Climate, Gender and Social Inclusion Division
ESDD	Environmental and social due diligence
ESS	Environmental and Social Standards
ESIA	Environmental and Social Impact Assessment
ESCMF	Environmental, Social and Climate Management Framework
ESCMP	Environmental, Social and Climate Management Plan
ESMS	Environmental and Social Management System
EX-ACT	Ex-Ante Carbon-balance Tool
FAO	Food and Agriculture Organization of the United Nations
FI	Financial intermediaries
FIDIC	International Federation of Consulting Engineers
FPIC	Free, prior and informed consent
GHG	Greenhouse gas
HIA	Health Impact Assessment
HSMP	Health and Safety Management Plan
ICB	International Competitive Bidding
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
ILO	International Labour Organization
IPCC	Intergovernmental Panel on Climate Change
IPP	Indigenous Peoples Plan
IPRM	Integrated Project Risk Matrix
NGO	Non-governmental organization
NSO	Non-Sovereign Operations
OPR	Operation Policy and Results Division
ORMS	Operational Results Management System
OSC	Operational Strategy and Policy Guidance Committee
PCN	Project Concept Note
PDR	Project Design Report
PDT	Project Delivery Team
PMI	Sustainable Production, Markets and Institutions Division
QAG	Quality Assurance Group
RAF	Resettlement Action Framework
RAP	Resettlement Action Plan
SECAP	Social, Environmental, and Climate Assessment Procedures
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
WHO	World Health Organization

• 1. Overview and Procedures

(a) 1.1 Introduction

1. IFAD believes that social, environmental and climate sustainability is a fundamental aspect of achieving outcomes consistent with its mandate, and recognizes that projects and programmes that foster social, environmental and climate sustainability rank among the highest priorities of its activities.

2. In order to meet these priorities, IFAD has updated its Social, Environmental and Climate Change Assessment Procedures (SECAP) that apply to all investments in the Programme of Loans and Grants and Non-Sovereign Operations (NSOs) for which IFAD financing is sought. These procedures will also apply to technical assistance as relevant. The procedures strengthen IFAD's relationship with the countries, rural communities and private sector companies it aims to support; stakeholders in the development processes; and the broader development cooperation and donor community. Social, environmental and climate screening and assessment processes for programmes and projects have become standard practice in development finance. Additionally, safeguard approaches have proven to be suitable vehicles for consultation and disclosure of information.

3. 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 UN agencies, multilateral financial institutions and other development partners; and (iii) improving internal processes and capacity.

4. The updated SECAP draws on the United Nations Model Approach to Environmental and Social Standards for UN Programming, which in turn is based on the UN Environmental Management Framework for Advancing Environmental and Social Sustainability in the UN System.[5]

5. SECAP will: (i) help IFAD to identify social, environmental and climate risks and their significance and determine the level of risk management required to address risks and impacts associated with IFAD-supported investments and global and regional grant-funded programmes; (ii) help identify opportunities to mainstream climate resilience, environmental sustainability, gender and youth empowerment, and nutrition into strategies and programming; (iii) support borrowers/recipients/partners and IFAD in improving decision-making and promoting the sustainability of project and programme outcomes through ongoing stakeholder engagement; (iv) assist borrowers/recipients/partners in fulfilling their international and national social, environmental and climate obligations; (v) ensure that IFAD's practices are aligned with similar procedures of other multilateral financial institutions and its own policies; and (vi) enable IFAD to continue accessing environmental and climate financing.

6. SECAP goes beyond avoiding risks to identifying opportunities to maximize development gains by fully mainstreaming environmental, social and climate issues throughout the project cycle. Clear procedures on mainstreaming IFAD's priority themes (youth, gender, climate change, indigenous people and nutrition) are one important

[5] UN Environment Management Group (2012). A Framework for Advancing Environmental and Social Sustainability in the United Nations System; UN Environment Management Group (2019). Moving Towards a Common Approach to Environmental and Social Standards for UN Programming.

element of this endeavour to: (i) analyse and provide information to strengthen the social, environmental and climate dimensions of projects and programmes; (ii) maximize positive social and environmental impacts and climate change adaptation and mitigation benefits; and (iii) strengthen social inclusion for enhanced decision-making and ownership of environmental and social sustainability of projects.

7. It should be noted that, for the sake of brevity, the term “project” will be used from now on, and is meant to encompass both individual projects and “programmes”. The latter may consist of a number of potential individual projects, which may or may not be clearly indicated at the time of approval of the programme.

8. SECAP consists of three volumes. Volume 1, the main SECAP document, sets out IFAD’s aspirations regarding environmental, social and climate adaptation/mitigation sustainability and provides information necessary to formalize IFAD’s approach to addressing environmental, social and climate risks and impacts throughout the project cycle. It highlights IFAD’s mainstreaming requirements (including mainstreaming themes – youth, gender, climate change, indigenous people and nutrition) and has nine Environmental, Social and Climate Standards, which set out the mandatory requirements that the borrower/recipient/partner must apply to IFAD-supported projects (through loans and NSOs). Lastly, it has two annexes which describe the requirements that apply to NSOs and to all contractors engaged in IFAD-supported projects. Volume 2 includes a set of ten non-mandatory guidance notes to assist the borrowers/recipients/partners in implementing SECAP, and Volume 3 provides supporting materials including templates and checklists.

9. Volume 1 comprises four components as follows:

i. **SECAP Overview and Procedures** sets out the mandatory requirements of IFAD in relation to the projects that it supports.

ii. **Mainstreaming Themes** focuses on IFAD’s corporate mainstreaming commitments, which need to be reflected in country strategies and project documents, as well as in specific capacities and project activities, including policy engagement where relevant. This component highlights opportunities for mainstreaming, including cross-thematic mainstreaming, through the use of recommended assessment approaches and technical tools, as well as guidance materials and other resources.

iii. **SECAP in the Project Cycle** describes the due diligence process that borrower/recipient/partner and IFAD Project Delivery Teams (PDTs) should follow to meet the requirements of the Standards at each stage of the project cycle.

iv. **The Standards** focuses on a set of nine operational Environmental, Social and Climate Standards that should be met through the project life cycle. The Standards are directed predominantly to borrowing governments and private sector partners, which are responsible for undertaking environmental, social and climate risk assessments, and for implementing projects. The Standards are accompanied by a set of tools, non-mandatory guidance notes and How to do Notes to assist clients in implementing the standards, project development teams (PDTs) in conducting due diligence and implementation support, and stakeholders in sharing good practices.

10. In addition, SECAP includes: (i) provisions on project-level grievance redress

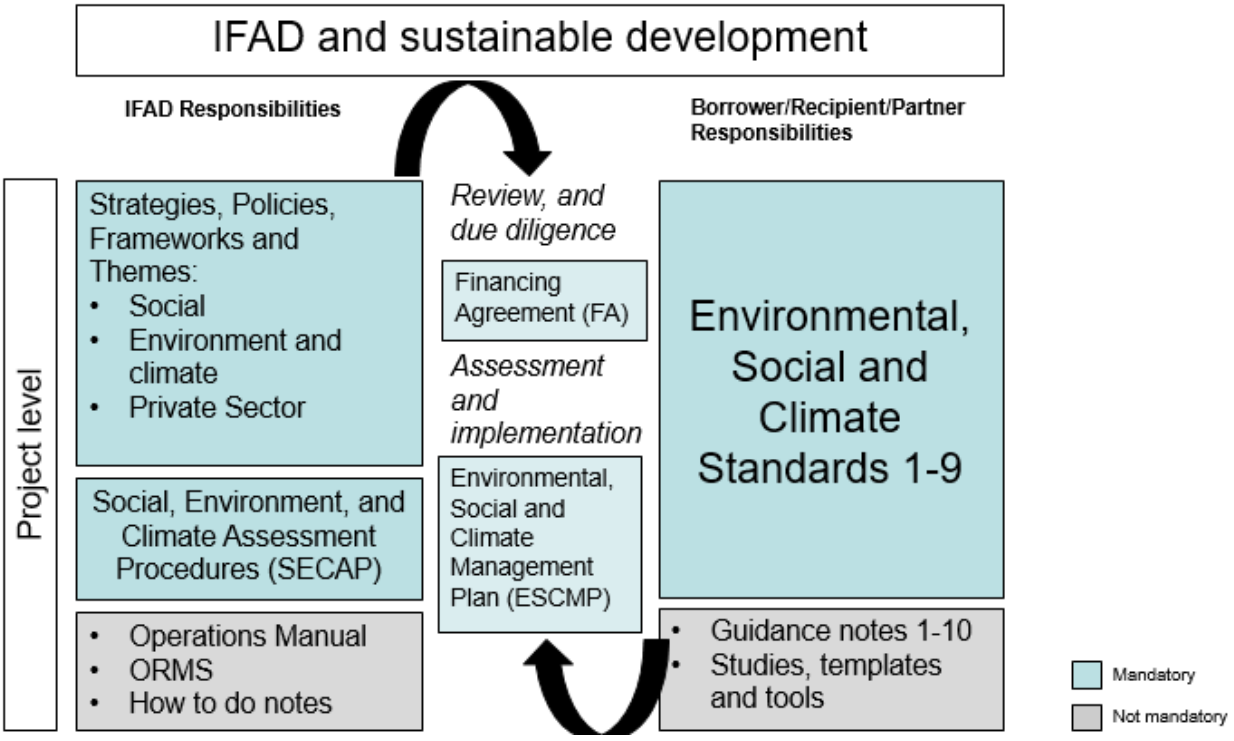
mechanisms to complement IFAD's Complaints Procedure; (ii) an environmental and social due diligence process for NSOs; and (iii) requirements for contractors to operate in a manner consistent with IFAD's Environment and Social Standards (ESS).

11. The application of SECAP using appropriate tools and methods will also assist PDTs to identify project-specific social, environmental and climate risks and impacts, and ensure that appropriate preventive actions and/or mitigation measures are incorporated into the respective project design and implementation. The measures will take into account the considerations provided in the respective SECAP Country strategic opportunities programme/Country strategy note (COSOP/CSN) background study.

(b) **1.2 Commitments, guiding principles and specific requirements**

12. SECAP sets out IFAD's commitments to, and responsibilities for, social, environmental and climate sustainability. All projects supported by IFAD or cofinanced with IFAD are required to comply with SECAP. This includes NSOs and projects implemented by non-state actors such as NGOs. Figure 1 below provides an overview of the SECAP structure and responsibilities.

Figure 1. SECAP Structure and Responsibilities



13. This update to SECAP, along with associated Annexes, sets out the mandatory requirements and other elements that must be integrated throughout the project life cycle. The updated SECAP supersedes and replaces SECAP 2017 Edition and will apply to all new IFAD-supported investment projects and programmes entering the pipeline after 1 January 2021 (defined as the cut-off date of approval of all project concept notes by the Operational Strategy and Policy Advisory Committee (OSC)). The new mandatory requirements and standards contained in this version of SECAP will not be applied retroactively.

14. SECAP risk analyses will need to be fully captured in Annex 5 of the Project Design Report (PDR) and summarized in the Integrated Project Risk Matrix (IPRM) under the Environment and Climate Context and Environment, Social and Climate Impact risk categories.[6] The IPRM will need to reflect the specific inherent and residual project risk ratings assigned through the SECAP Screening Tool and summarize related risk mitigation measures accordingly, cross-referencing Annex 5 and other relevant sections of the PDR for further detail as appropriate. Capturing SECAP risk analyses in the IPRM during project design and regularly updating them as required during implementation will foster robust and proactive oversight and management of risk at both project and portfolio levels.

15. IFAD is committed to ensuring that the projects it finances or administers comply with SECAP by identifying and assessing environmental, climate change and social risks and impacts as early as possible in the project cycle, and providing effective monitoring, implementation support and supervision of agreed environmental, social and climate risk management measures during project implementation. If the Fund finds that the risks and impacts of any of its proposed projects are High or Substantial and not likely to be adequately addressed and mitigated, IFAD may choose not to proceed with the project.

16. IFAD has defined a set of guiding principles and specific requirements which are designed to avoid, minimize, reduce or mitigate the adverse impacts of its supported projects, based on its existing policies and procedures,[7] as listed in Box 1 below.

Box 1. Guiding principles and specific requirements

Based on its existing frameworks, strategies, policies and procedures, IFAD will:

(i) **Not knowingly finance projects that would contravene national laws** or country obligations under relevant international treaties, or conventions and agreements, or involving products subject to international phase-out bans, as identified during project design and implementation.

(ii) **Not knowingly finance, directly or indirectly, activities mentioned in the IFAD Exclusion List (see Annex 5).**

(iii) **Identify vulnerable people or groups who may be disproportionately affected by its projects** and will implement relevant mitigation measures. In this regard, projects will: examine the cause–effect relationship between rural poverty, environmental degradation, social impacts and climate change; ensure the sustainable use and management of biodiversity and ecosystems, subject to their regenerative capacity; promote approaches to (re)build social cohesion and good governance of natural resources; and respect and make use of endogenous knowledge and gender-sensitive technologies, drawing especially on the unique knowledge of women and indigenous peoples.

(iv) **Promote the conservation, rehabilitation and sustainable use of natural resources and key ecosystems in an integrated manner,** to ensure that IFAD operations do not lead to natural or

[6] These risk categories are broadly defined as follows: Environment and Climate Context (i.e. risks that existing or possible future environmental or climate conditions may significantly undermine project implementation and the achievement of project development objectives); and Environment, Social and Climate Impact (i.e. risks of a project causing unintended negative consequences, notably, negative environmental, social or climatic impacts).

[7] Targeting Policy: Reaching the rural poor (2008); Policy on Improving Access to Land and Tenure Security (2008); Policy on Engagement with Indigenous Peoples (2009); Rural Finance Policy (2009); Policy on the Disclosure of Documents (2010); Gender Equality and Women's Empowerment (2012); Environment and Natural resource Management Policy (2012); Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse (2018); IFAD Policy on Project Restructuring (2018); Framework for Operational Feedback from Stakeholders (2019); IFAD Action Plan – Rural Youth 2019–2021; Mainstreaming Gender-transformative Approaches at IFAD – Action Plan 2019-2025, IFAD Private Sector Engagement Strategy 2019–2024; Strategy and Action Plan on Environment and Climate Change 2019–2025; Nutrition in IFAD – Action Plan 2019–2025; Revised Operational Guidelines on Targeting (2020); Implementation, Supervision and Project Completion Guidelines (2020); and Framework for IFAD Non-Sovereign Private Sector Operations (2020).

cultural resource degradation, including clearing of tropical forests, the threat/loss of terrestrial and marine biodiversity and ecosystem services, or threats to resources of historical, religious or cultural significance. This applies especially to agricultural intensification activities and value chain development.

(v) **Recognize the importance of addressing both the causes and the consequences of climate change in its countries of operations**. IFAD will assess the vulnerabilities to climate risks and will support its Borrowers/Recipients/Partners in developing climate adaptation and mitigation measures aligned to the National Determined Contributions committed to by the respective governments. IFAD will also identify opportunities to avoid, minimize or reduce greenhouse gas emissions in projects that it supports.

(vi) **Minimize adverse social and environmental impacts.** IFAD will avoid or mitigate potential adverse impacts on the environment (which includes biodiversity and ecosystems), health and safety, labour and working conditions (which includes avoiding all forms of harmful or exploitative forced labour and child labour), and well-being and livelihoods of project workers and local communities. IFAD will avoid any potential externalities imposed by an IFAD-supported operation in areas beyond the project boundaries (contextual/unintended consequences).

(vii) **Address gender-based violence and discrimination and promote gender equality** within its mandate. IFAD-supported projects will identify any potential gender-specific and disproportionately adverse impacts and develop mitigation measures to reduce them. IFAD will require its Borrowers/Recipients/Partners to adopt measures to effectively prevent and address any form of gender-based violence, including sexual harassment, exploitation and abuse, discrimination, bullying and intimidation.

(viii) **Ensure stakeholder feedback, with special emphasis on the participation of and benefits to women, youth, people with disabilities and site-specific targeted groups.** IFAD will engage in early and continuing meaningful consultation with the full range of stakeholders in formulation, implementation and monitoring of projects and ensure an inclusive ongoing engagement process. IFAD will strengthen local institutions, including user groups, promote appropriate pro-poor incentive systems at all levels, and maximize the opportunities for local grassroots organizations and clients to engage in decision-making processes, with special emphasis on equal participation of women, youth, and people with disabilities throughout the project cycle.

(ix) **Enhance the livelihoods of indigenous peoples and other marginalized groups**. Projects will be designed to: (i) secure ownership of and/or access to ancestral land and territories by indigenous peoples; (ii) strengthen their institutions; (iii) ensure free, prior and informed consent (FPIC); (iv) value indigenous knowledge systems; and (v) document and report the outcomes of the consultations with indigenous peoples and other marginalized groups. FPIC will also apply to other communities (non-indigenous peoples) when project activities have an impact on their access and land-use rights.

(x) **Avoid involuntary resettlement wherever possible.** IFAD will adhere to the “do no harm” and FPIC principles at all times, so as to minimize potential adverse physical and economic impacts. IFAD will explore viable project design alternatives to address risks and restore livelihoods to improve the standard of living of affected persons. The approach taken and measures to mitigate adverse impacts on displaced persons (and host communities) will be proportional to the nature and scale of risks.

(xi) **Promote sound agricultural and manufacturing processes**. These include traditional, indigenous and climate-resilient technologies, integrated pest management, and use of biological control. When the use of agrochemicals is necessary, projects will ensure (e.g. through enhanced environmental awareness, farmer training, improved field extension services) that their selection, application, storage and disposal are in line with international standards. IFAD will require clients to apply international standards, including safe and healthy working conditions, and have in place and maintain sound environment and social management systems.

(xii) **Undertake compliance monitoring.** IFAD will monitor the implementation of the environmental and social management plan, the effectiveness of stakeholder engagement by the Borrower/recipient/partner, and the effectiveness of environmental and social considerations in the procurement cycle, from planning of requirements through management of contracts during implementation. There will be a focus on projects rated “High Risk” and “Substantial risk”, or located in areas that are environmentally or socially sensitive, to ensure continued diligence in pursuing the project’s development objectives.

(xiii) **Ensure transparency and accountability throughout the life cycle of the projects**. IFAD will ensure transparency and accountability by disclosing the draft and final environmental and social

impact assessments, environmental and social management plans, and other relevant documents to stakeholders in an easily accessible modality and by responding to their concerns and complaints in a timely manner. IFAD will require the Borrower/recipient/partner to implement effective project-level grievance redress mechanisms that are accessible and inclusive in order to receive, and facilitate resolution of, concerns and grievances of project-affected parties related to the environmental and social performance of the project. The project-level grievance redress mechanisms will complement IFAD's Complaints Procedure.

(xiv) **Mainstream social, environmental and climate sustainability into IFAD's project cycle** through consistent application of a screening and assessment procedure (see Section 1.9). A precautionary approach should be applied, and potential adverse impacts and risks need to be avoided, minimized or reduced to acceptable levels.

(xv) **Support Borrowers/Recipients/Partners in achieving good international practices** by promoting the realization of United Nations principles expressed in the Universal Declaration of Human Rights and the toolkits for mainstreaming employment and decent work.

(xvi) **Focus on procurement processes** and ensure that Borrowers/Recipients/Partners require contractors to apply acceptable best practices of environmental, social and climate resilience.

(c) **1.3 Roles and responsibilities**

17. **Responsibility for preparing environmental and social assessments, conducting climate risk analysis and managing risks and impacts of projects.** The assessments and studies of projects required at the design stage are primarily the responsibility of the borrower/recipient/partner, including any further assessment/study deemed necessary during the implementation of the project. The studies/assessments will meet the requirements of SECAP standards and other relevant guidance (e.g. SECAP Guidance Notes, World Bank Environmental, Safety and Health Guidelines), and be proportionate to the risks and potential impacts of the IFAD-supported investment as reflected in IFAD's project risk categorization presented hereafter. For example, when IFAD invests directly in projects that are classified as High Risks or Substantial Risks as per its project risk categorization, the studies/assessments will include Environmental and Social Impact Assessments (ESIA) or Abbreviated ESIA, and Resettlement Action Framework/Plan (RAF/RAP) or Abbreviated RAF/RAP, respectively; they will be carried out by independent experts, selected by the borrower/recipient/partner as per existing national legislation. The borrower/recipient/partner will ensure adherence to the environmental and social covenants of the Financing Agreement and is responsible for the implementation and monitoring of management plans at the implementation stage (see paragraph 23 below). IFAD will support the process to ensure that both IFAD and borrower/recipient/partner requirements are met, and in ways which recognize and enhance any capacity development issues pertaining to the borrower/recipient/partner.

18. **Financing of SECAP assessments and studies.** The costs for preparing the background studies (e.g. feasibility studies, ESIAs, RAF/RAPs, Environmental and Social Management Systems (ESMS)) will be financed by the borrower/recipient/partner. Upon written request by the borrower/recipient/partner, studies and assessments may be financed through the Faster Implementation of Project Start-up instrument. For project-level assessments (Environmental, Social and Climate Management Framework (ESCMF), Environmental, Social and Climate Management Plan (ESCMP), ESIA, RAF/RAPs, FPIC plan, Indigenous Peoples Plans (IPPs), Environment and Social Audit, and/or ex-post ESIA, as required) undertaken during project implementation, the associated costs will be included in the project costs, including the cost for ensuring meaningful community participation.

19. **Responsibility for assessing SECAP studies/assessments of IFAD-supported**

investments. The PDT will review and assess the studies/assessments provided by the borrower/recipient/partner and is responsible for implementing the seven steps of the SECAP project cycle: OSC; Design Review Meeting (DRM); Quality Assurance Group (QAG) Desk Review; Loan Negotiation; Executive Board Approval; Implementation; and Completion. For High Risk and Substantial Risk projects, the Operational Policy and Results Division (OPR) will review and clear the studies. When costs are associated with the implementation of these steps (e.g. the cost of conducting Environment and Social Due Diligence), they will be covered by IFAD. The PDT will be supported by a specialist from the Environment, Climate, Gender and Social Inclusion Division (ECG). IFAD's responsibilities will include, as appropriate: (i) reviewing the assessments and studies, and requesting additional information to complete its due diligence; (ii) providing guidance to strengthen the mitigation of risks and impacts; and (iii) conducting supplemental missions for selected projects during implementation.

(d) 1.4 Cofinancing

20. Where IFAD is jointly financing a project with other bilateral or multilateral funding partners, IFAD may agree that the environmental, social and climate standards/ requirements/process/rules and policy of such partners will be applied, provided that such standards/requirements/process/rules and policy are equivalent to IFAD's and will enable the project to achieve objectives consistent with the IFAD standards (see chapter 4).

21. In cases where IFAD is not the initiating institution: (i) IFAD will seek to cooperate with the initiating institution and will agree in writing on a common approach[8] to project assessment, management and monitoring of environmental, social and climate impacts, grievance redress and accountability; and (ii) the initiating institution will support the SECAP process and ensure that the project achieves objectives consistent with the borrower/recipient/partner requirements. A common approach should also be sought where IFAD is the initiating institution. The agreed measures and actions of the common approach will be included in the safeguard instruments, including the ESCMP, the Financing Agreement and Project Implementation Manual.

22. The respective terms of reference for the assessments and draft project-related reports will be shared with IFAD and go through IFAD's project design review process. IFAD will perform additional due diligence[9] to the extent necessary to complete the social and environmental assessment and climate risk analysis to meet SECAP requirements. Where IFAD support is sought for initiatives/projects that have already conducted environmental and social impact assessments and/or resettlement framework/assessments and/or received national permits, IFAD will conduct a gap analysis against SECAP to identify whether additional studies/audits, environmental and social documentation, and/or mitigation measures are required to meet SECAP requirements.

23. Where SECAP requirements differ from the environmental and social standards/requirements of the borrower/recipient/partner and other cofinanciers, IFAD will use its best efforts to collaborate with the borrower/recipient/partner and other cofinanciers and agree in writing on specific measures to ensure that SECAP

[8] The common approach will enable the project to achieve objectives consistent with the Standards and with SECAP mandatory elements and requirements.

[9] Included where partnership with the private sector is involved.

requirements are fully complied with. Measures may include screening, ESIA process, consultation, disclosure, monitoring, reporting, grievance redress and implementation support. The applicability of the initiating institutions' and other cofinanciers' guidelines in projects cofinanced by IFAD is reflected in the respective social, environmental and climate assessments, project documents (e.g. ESCMP, ESCMF), Financing Agreement and Project Implementation Manual and monitored by IFAD.

24. For projects including associated facilities, the environment and social assessment will also identify and assess, to the appropriate extent, the potential environmental and social risks and impacts of the facilities.[10] When borrower/recipient/partner requirements differ from the levels and measures presented in SECAP, the borrower/recipient/partner will be required to achieve or implement whichever is more stringent. For projects involving multiple subprojects which are identified, designed and implemented during the project, the borrower/recipient/partner will carry out appropriate environmental and social assessments of the subprojects and include measures to strengthen its capacity to conduct environmental and social due diligence.

1.5 Projects involving financial intermediaries and the private sector

25. As detailed in the Framework for IFAD NSOs, and IFAD's Private Sector Strategy, IFAD may finance financial intermediaries (FIs), such as private equity funds, commercial banks and microfinance institutions, which are the financial service providers to finance subprojects with sub-clients. IFAD requires FIs, including NSO FIs and NSO Non FIs (Direct Investments), to put in place and maintain an ESMS commensurate with the risks and impacts of the FI and NSO project/subprojects, be responsible for ensuring compliance with ESS requirements throughout the project cycle, and bear the related costs. IFAD will review the adequacy of the ESMS vis-a-vis SECAP requirements (see also Standard 8, para. 6).

26. Similar to the projects that IFAD would finance directly or cofinance, FIs (and NSOs) that IFAD finances undergo an environmental and social due diligence (ESDD) process based on the applicable SECAP project assessment steps. The process will focus on the capacity of the FI to adequately screen, assess, manage and monitor the social and environmental risks and impacts of its clients' and investees' subprojects on an ongoing basis. FI subprojects will be prepared and implemented in accordance with SECAP requirements and relevant environmental and social national laws and regulations. The specific requirements pertaining to the FIs will be determined by IFAD, taking into account the nature, scale and risks of the FI's current and likely future loan portfolio, and recognizing that the type and operations of FI partnering in IFAD-supported projects vary considerably and in some cases may pose high or substantial environmental and social risks. (See Standard 8 on FIs and Direct Investments and its related Guidance Note (Volume 2) for an overview of the SECAP requirements and responsibilities in the NSO project cycle.)

[10] Associated facilities in the context of environmental assessment, refer to new or additional works and/or infrastructure, irrespective of the source of financing, essential for a Bank-financed project to function, such as: new/additional access roads, railways, power lines, pipelines required to be built for the project; new/additional construction camps or permanent housing for project workers; new/additional power plants required for the project; new/additional project effluent treatment facilities, new/additional warehouses and marine terminals built to handle project goods.The selection of the partners (including private sector) is subject to IFAD's due diligence process. Available at: https://www.ifad.org/web/ioe/evaluation/asset/39830671.

(e) 1.6 Consultation and participation

27. As outlined in the Framework for Operational Feedback from Stakeholders, approved by the Executive Board in 2019, IFAD is committed to engage key stakeholders and mobilize their feedback in its supported projects.[11] Consultation with target groups, communities and other stakeholders that are likely to engage with IFAD's operations are sought throughout the project life cycle, commencing as early as possible in the project development process in order to ensure that their feedback is taken into consideration. The objective is to ensure that the communities contribute to the development of management plans[12] and provide feedback on the draft ESIA report and other relevant documents, ensure broad community support to the project (especially High Risk projects or those that are highly sensitive to climate, social and environmental risks), and see that affected people endorse the proposed mitigation/risk reduction and management measures.

28. Consultation is mandatory and will be inclusive, ensure non-discrimination[13], and aim to provide opportunities for disadvantaged or vulnerable groups or individuals to participate in and benefit from projects on an equal basis with others. Consultation using a combination of appropriate tools and approaches, leading to consent, should be initiated as early as possible during design, and the results will be documented and also adequately reflected in the SECAP review note. FPIC will be sought when project activities affect land access and use rights of communities. IFAD's policies and guidelines on targeting, gender equality and women's empowerment, improving access to land and tenure security, and engagement with indigenous peoples and historically underserved local communities, and its how-to-do notes contain further guidance on appropriate consultation mechanisms. The borrower/recipient/partner will ensure stakeholder consultation proportionate to the nature and scale of the project, potential risks and impacts, and with the concerns raised by communities and stakeholders.

(f) 1.7 Disclosure

29. The IFAD policy on the disclosure of documents, approved in 2010, adopted the principle of "presumption of full disclosure".[14] The sharing of draft and final ESIAs and other relevant documents[15] with project stakeholders and interested parties will be subject to this principle. It is mandatory to disclose the documents , when available, in a timely manner at the DRM stage[16] on IFAD's website and in an accessible place in the project-affected area, in a form and language understandable to project-affected parties and other stakeholders, for the purposes of keeping them informed and obtaining their

[11] See also How to Do Notes on: (i) "How to set up, implement, monitor and assess project target group engagement and feedback processes"; (ii) "How to develop project target group engagement and feedback plans"; and (iii) "How to conduct contextual and capacity assessment and develop capacity-building plans for enhanced project target group engagement and feedback".

[12] ESMPs, RAPs, mitigation plans and other plans.

[13] This includes discrimination against indigenous peoples, age, migrants, minorities, people with disabilities, women, socio-economic status, racial/colour and religious discrimination, or discrimination based on sexual orientation and gender identity.

[14] https://webapps.ifad.org/members/gc/33/docs/GC-33-INF-4.pdf.

[15] Draft ESIA, Draft RAPs, draft mitigation plans and frameworks, documentation of the indigenous peoples consultation process. For High Risk projects, disclosure must be at least 120 days before the respective Executive Board meeting. For Green Climate Fund projects, the ESMP will be disclosed 30 days prior to the GCF board meeting. For NSOs, the studies for High Risk projects will be disclosed at least 60 days prior to the respective Executive Board session.

[16] Where frameworks (ESMF) were disclosed at QAG Desk Review stage.

meaningful input into project design and mitigation measures. The disclosure will take into account any specific information needs of the community (e.g. culture, disability, literacy, mobility or gender). For documents that will be prepared and disclosed after Executive Board approval, the details and timing of delivery and disclosure of the documents will be set out in the Financing Agreement as appropriate. Comments on SECAP-related disclosed documents can also be submitted through the SECAP Help Desk email using: secaphelpdesk@ifad.org.

(g) 1.8 Grievance redress mechanisms

30. Although IFAD normally addresses risks primarily through its enhanced quality enhancement/quality assurance process and by means of project implementation support, it remains committed to: (i) working with the affected parties to resolve complaints; (ii) ensuring that the complaints procedure and project-level grievance mechanism are easily accessible to affected persons, culturally appropriate, responsive and operate effectively; and (iii) maintaining records of all complaints and their outcomes.

31. For all projects, IFAD requires the borrower/recipient/partner to adopt an easily accessible grievance mechanism[17] to receive and resolve concerns and complaints of people who may be unduly and adversely affected or potentially harmed by IFAD-supported projects that fail to meet the SECAP Standards and related policies (presented in Section 4). Information about the existence and functioning of such mechanism should be readily available and be part of the overall community engagement strategy. The grievance redress mechanism should use existing formal and informal grievance mechanisms, strengthened or supplemented as needed with project-specific arrangements, and will be proportionate to the expected risks and impacts of the project.

32. In addition, 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 SECAP 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. IFAD may be contacted by e-mail at SECAPcomplaints@ifad.org, via its website, or by post.[18] Any complaints of sexual harassment and/or sexual exploitation and abuse received through the complaints procedures will not be processed under the SECAP complaints mechanism and will be forwarded immediately to IFAD's Ethics Office for further action. For projects cofinanced with other development partners, IFAD will agree on a common approach to receiving, resolving and reporting complaints, which will be reflected in the Financing Agreement and Project Implementation Manual.

• 2. Mainstreaming opportunities, assessments and procedures in IFAD country strategic opportunities programmes and projects

(h) 2.1 Linking risk management and mainstreaming opportunities: Assessments and procedures along the project cycle

33. The objective of this component is to highlight how even while focusing on risk

[17] See How to Do Note on "How to set up and operate grievance redress mechanisms".

[18] IFAD SECAP Complaints (PMD), Via Paolo di Dono 44, 00142 Rome, Italy.

identification, assessment, mitigation and management, the SECAP-related procedures and assessments can and should also be seen as mainstreaming opportunities. This component is complemented by:

(i) Guidance Note 10 (Volume 2), which presents mainstreaming priority areas and entry points at COSOP stage and throughout the project cycle;

(ii) a set of resources for reference (annex to Guidance Note 10), including an annotated set of recommended mainstreaming assessment tools, recommended sources of mainstreaming-related data, definitions of mainstreaming, mainstreaming related Core Output/Outcome indicators, and a flow chart of the validation process of mainstreaming themes selected by project teams.

34. IFAD has committed to specific thematic outcomes via mainstreaming into its business model and investments. It is important to recognize that good development practice takes into account both the identification of opportunities but also the risks of a project unintentionally causing harm in the process. While originating in a context of a need for a corporate statement of safeguards, in practice the SECAP-related procedures, assessments and documentation throughout the project cycle are evolving towards a linked set of risk-mainstreaming frameworks, approaches and tools.

35. A good example of this is the SECAP annexes specific to the COSOP and PDR. Revised for 2019, these mandatory annexes document the results of assessments across a range of linked risk-mainstreaming questions from situation analysis through recommended actions. The scope of the SECAP annexes has also expanded as a result of the revision of the COSOP and project documentation, incorporating poverty/vulnerability analysis and targeting, core elements of strategic engagement and project design. The annotated SECAP annexes are found in Volume 3. In order to populate these annexes, a range of assessments must be undertaken, most efficiently linking risk assessment/mitigation and mainstreaming. An annotated inventory of recommended tools to support mainstreaming, together with recommended data sources, are also found in Annex 3.

36. The content of the SECAP annexes informs both the assessment of the level of risks and the risk-mitigating actions required, as well as mainstreaming opportunities, which informs which IFAD mainstreaming commitments an investment will contribute to. The mainstreaming commitments are validated by IFAD's OPR and quality-controlled by QAG.

37. The same assessments which need to be undertaken to populate the SECAP annex are also necessary to fill in the IPRM matrix. An assessment of the inherent (pre-project, context-specific) risk and the residual (with project with specified risk mitigation actions) are required. The same process – in particular the risk-mitigating actions proposed – can also act as mainstreaming pathways. For example, a risk screening which indicates that the inherent climate risk is high requires a detailed vulnerability assessment and risk mitigation plan. The development of this plan can be used to identify the specific vulnerabilities but also opportunities to build the resilience of IFAD priority target groups (women and youth), which are also mainstreaming commitments.

38. Finally, the risk levels and mitigating actions specified in the IPRM and in SECAP are monitored over the life of the project, which is also formally rated in the supervision template and tracked in IFAD's Operational Results Management System (ORMS). In short, the assessments and procedures associated with SECAP are inherently linked to risk identification/mitigation and mainstreaming opportunities, and this cascades

throughout the project cycle.

39. Since the 2017 edition of SECAP, a number of important changes have taken place in IFAD which have implications for mainstreaming within the "universe" of SECAP-related assessments and procedures. Of particular note are the changes highlighted in Box 2 below.

Box 2. Selected changes since the previous SECAP (with implications for mainstreaming)

(i) **New commitments** (mainstreaming youth engagement; 25 per cent of IFAD projects are gender-transformative; 25 per cent of IFAD's Programme of Loans and Grants support climate adaptation/mitigation; supporting countries to deliver on their Nationally Determined Contributions under the Paris Agreement)

(ii) **The creation of a new division** (OPR) which focuses on process re-engineering and which: undertakes validation of conformity of project designs to specific criteria considered to be contributing to "mainstreaming"; and validating the level of social/environmental and climate risks determined by PDTs that will apply a new set of risk-screening tools

(iii) **The tracking in ORMS of the mainstreaming markers** and greater emphasis on monitoring the implementation of mainstreaming intentions at design and throughout the life of the project, including through changes in the supervision template

(iv) **New project and COSOP formats**, including new templates for the SECAP annexes for the COSOP and PDR, which now reflect the social inclusion mainstreaming themes and incorporate important aspects of the poverty assessment and target group characteristics and targeting strategy which were previously found elsewhere

(v) **The inclusion of a chapter on mainstreaming**, to reflect its importance and to emphasize the relationship between risk management and mainstreaming opportunities

(vi) **The revision of IFADs corporate/portfolio-level risk monitoring and management system**, which is now more explicitly interrelated to the project-level SECAP-specific risk assessment and risk rating procedures.

(i) 2.2 Mainstreaming Opportunities by each Standard

40. The Standards and Guidance Notes (Volume 2) contain information not just on how to manage environmental, social and climate risks but also on how to enhance development opportunities. Table 1 below highlights some of the mainstreaming-related guidance found in these Guidance Notes.

Table 1. SECAP Guidance Notes: Mainstreaming-related content

Guidance Note (GN)	**Examples of mainstreaming-related content/opportunities** (for indicative purposes; not exhaustive)
Biodiversity	➢ Environmental, climate and gender mainstreaming considerations can be reflected in Biodiversity Management Plans: See Annex 2 of the GN ➢ Access and Benefits Sharing of Genetic Resources: nutritional, gender and youth mainstreaming opportunities ➢ Ecosystem services: see Annex 1 of the GN ➢ Relevant to agro-ecological approaches to production landscapes with biodiversity benefits ➢ Can inform biodiversity-related cofinancing
Resource Efficiency and Pollution	➢ Health/welfare-related issues, implications of resource misuse (pesticides, herbicides, deforestation, water pollution or inefficient use, aquaculture) may have particular impacts on women and youth, also nutrition; conversely good use can represent a mainstreaming pathway with benefits ➢ Related plans with mainstreaming opportunities include Pest Management Plan (especially Annex 1 of this GN) but also as part of ESCMF, ESCMP, ESIA ➢ Rangeland: see Annex 3 of this GN, especially section ''Measures Required in Project Preparation'' ➢ Annex 4 of this GN on Water Usage (see also the section of this Annex on Policy Engagement) ➢ Obvious links to environmental sustainability and climate change mainstreaming themes
Cultural Heritage	➢ Strong links to indigenous peoples and historically underserved local communities, consultations, environmental management ➢ See box with Screening Questions
Indigenous Peoples and historically underserved local communities	➢ Sustainable environmental management is very closely intertwined with indigenous peoples and historically underserved local communities and natural resource-based livelihoods and equitable access to benefits ➢ Related resource tenure and land rights questions ➢ Indigenous peoples and historically underserved local communities are custodians of key ecosystem resources ➢ Climate vulnerability and resilience-building of indigenous peoples and of larger communities that may share key ecosystems ➢ Nutritional benefits of some traditional practices could be more widely promoted via project activities. ➢ Specificities of gender equality; standard strategies may not be effective ➢ FPIC explained here but applicability in IFAD beyond indigenous peoples and historically underserved local communities (see Table 2) ➢ See also Box 3 on Voluntary Guidelines

	➢ Table 1 useful for project approaches/activities that are pro-indigenous peoples and historically underserved local communities
Labour and Working Conditions	➢ Relevant to youth, especially on child labour risk in agriculture in the context of family farming (see Boxes 4 and 5) Specific gender aspects in terms of risks but could also be a pathway for empowerment if preferential employment and suitable conditions (see box at para. 7, Employment Promotion)
Community Health and Safety	➢ Environmental management through infrastructure development must take into account public health concerns including differentiated exposure to and higher sensitivity of vulnerable groups (see guidance on dams, especially Annex 1 of this GN) ➢ See guidance to para. 6 of this Standard, on nutrition and the section on nutritional recommendations ➢ See boxes on ‘’Sources of Additional Guidance’’ across a range of mainstreaming-related themes ➢ Issues related to this standard – and mainstreaming opportunities via mitigating actions – are particularly relevant to the IPRM table of projects
Physical and Economic Resettlement	➢ Potentially an opportunity to improve resource quality and access for displaced communities (see guidance on Resettlement Action Plan and Annex 1 of this GN) ➢ Opportunity to identify, better characterize and reach vulnerable groups (see Box at para. 12 of the standard) ➢ See Box 5 on factors of vulnerability which a project design team might otherwise overlook but could also be an opportunity to reduce related risks and impacts associated with the factors
Financial Intermediaries	➢ See Box 1 on the Environmental and Social Management system of the FI; this review is also an opportunity to strengthen their mainstreaming pathways, with benefits beyond this specific project ➢ Conversely, IFAD may be able to learn from the FI
Climate Change	➢ See Box 2 “Additional resources for climate risk screening’’; many of these resources also cover mainstreaming themes ➢ See Figure 2 on the Impact Chain, and explanation (step 3) in the Adaptive Capacity box; this is an entry point for various pro-mainstreaming project activities which simultaneously contribute to risk mitigation ➢ See Box 3 on additional resources for mitigating greenhouse gas emissions; these also include ideas on mainstreaming pathways

(j) 2.3 SECAP for both risk management and mainstreaming – the role of assessments

41. SECAP originates in the need to identify risks in order to ensure that IFAD-funded activities , laying out what safeguards IFAD is committed to, how to know whether these safeguards may be contravened as a result of a proposed design, and how to mitigate and manage these risks.

42. However, the same assessments which are required for risk identification and characterization purposes should also be seen as an opportunity to identify mainstreaming pathways: opportunities to “do good’’. Undertaken in a well-informed manner, these mainstreaming opportunities can also help mitigate risks. They are two sides of a coin (see Box 3).

Box 3. A gender/youth lens on project risks and mainstreaming opportunities

> A situation analysis early in the project cycle might highlight a gender- or age-specific lack of access to productive resources by target beneficiaries. A thematic assessment tool such as Gender Action Learning System could then be deployed to better understand the underlying reasons and identify promising pathways, modalities and interventions to address the gap. On the other hand, a project design which focuses, for example, on maximizing production/ productivity without having undertaken a gender- and youth-sensitive analysis may inadvertently further reduce opportunities for women and youth, at least in terms of access to opportunities provided through the project.

44. Appropriately selected and effectively deployed assessments provide value by supporting decision-making in allocation of scarce resources in the form of time, capacity and funds applied through a project towards an objective. They do so in part by highlighting specific opportunities, using methodologies proven to be effective based on experience. However, any given assessment tool is not necessarily useful in all situations or at all points along the project cycle. Mainstreaming-related assessment tools widely used in IFAD are inventoried in the annex to Guidance Note 10 (Volume 2). They are categorized by thematic focus and stage(s) along the project cycle for which they are intended.

45. The results of these assessments should be reflected in both the SECAP annex and main report of the COSOP/project, and may inform the theory of change, funded activities, indicators, capacities and partners proposed, among other aspects. They may also reveal the need for a certain detailed analysis/strategy, such as a project-specific youth action plan.

46. In particular, the mandatory environmental, social and climate screening at the Project Concept Note (PCN) stage (and later validated at DRM stage) to assess the level of risk related to (i) the environmental and social activities proposed and (ii) climate change may trigger the requirement for studies which specify how these risks will be managed. While the terms of reference and/or templates for these studies are specified in volume 3 of SECAP, the way they are approached and drafted can and should also be seen as an opportunity to identify mainstreaming pathways.

47. An overview of the function of the main type of assessments across risk and mainstreaming at each stage in the project cycle is given in Table 2 below. Various types of assessments may be undertaken according to need. Some types of assessments will provide value across multiple boxes in this table. Not all these assessments correspond to the deployment of a specific methodology or technical tool or even specific data collection. In most cases the right answer is the result of the combination of thematic and country-specific expertise in the form of the right mix of skills and experience in the COSOP Development Team or PDT, aided by appropriate assessments.

Table 2. Principle types of assessment by stage in the IFAD project cycle

		Situational Analysis	Mainstreaming assessment and measures	Risk assessment and management
A	Country strategy	Poverty targeting and target groups identification	Identifying challenges and opportunities	Country risk characterization
B	Project concept	Defining target groups	Situational analysis	Risk screening
C	Project design	Targeting strategy and refining targeting measures	Mainstreaming pathways and measures	Risk assessment
D	Project implementation	Supervision and monitoring	Supervision and monitoring	Risk supervision, monitoring and management
E	Project completion	Evaluation	Evaluation	Evaluation

(k) 2.4 IFAD's current targeting and mainstreaming commitments

49. **Targeting commitments**. IFAD is committed to improve the livelihoods of the poorest, the poor and the vulnerable people in rural areas through its country strategies and investment projects.

50. **Mainstreaming commitments in COSOPs**. The 11th replenishment of IFAD's resources (IFAD11, 2019–2021) has committed IFAD to mainstreaming the following four areas in all COSOPs and CSNs: (i) Nutrition; (ii) Gender transformation; (iii) Rural youth and rural youth employment; and (iv) Climate finance.

51. All new COSOPs and CSNs will analyse recipient countries' agriculture-related climate change commitments and priorities, as expressed in their Nationally Determined Contributions under the Paris Agreement to the United Nations Framework Convention on Climate Change (UNFCCC).

52. **Mainstreaming commitments in projects.** The 11th replenishment also set targets for new IFAD projects with respect to five mainstreaming themes:

- 100 per cent of projects will mainstream climate concerns (as indicated by approach and types of activities at design); in addition, at least 25 per cent of the financial value of IFAD's Programme of Loans and Grants will be "climate-focused" (as measured by proportion of project financial resources which can reasonably mapped to climate-related activities, using a specified methodology)
- 100 per cent of projects will be "environmentally sustainable"
- 25 per cent projects will be "gender transformative"
- 50 per cent of projects will qualify as "nutrition-sensitive"
- 50 per cent of projects will qualify as "youth sensitive".

See Volume 2 for definitions of these terms.

(I) 2.5 An integrated approach to assessing mainstreaming opportunities and to targeting priority beneficiaries

53. IFADs mainstreaming themes represent a mix of target groups (women, youth, vulnerable groups, indigenous peoples and historically underserved local communities where applicable) and key themes (climate, environment, gender equality, nutrition) which have an impact upon the target groups and/or are development objectives in and of themselves. A mainstreaming theme such as “gender” represents the idea of taking a gendered perspective to development issues, which can generate useful insights to assessing gender dynamics and empowering women; in other words, undertaking a particular type of assessment using a particular approach and associated tools. Given the multiple mainstreaming themes and the fact that they intersect with each other in practice, it becomes clear why an integrated approach – although challenging – is important (see Box 4).

Box 4. Interactions between mainstreaming themes

> Interactions exist among all mainstreaming themes. For example, food systems are critical determinants of the sustainability of natural resources and production landscapes as well as the nutritional status of the rural poor. Higher temperatures or shorter rainy seasons resulting from climate change can affect the suitability of crops to specific geographies and landscapes as well as their nutritional quality. Reflected in project design, value chains can be developed with clear attention to their impact on nutrition, gender and the environment – for example, maintaining a diversity of crops that can strengthen household resilience to weather shocks, empower women, and maintain food security. Similarly, climate change can pose greater challenges to young people, who rarely have access to assets such as land or finance that can help them to cope with it.

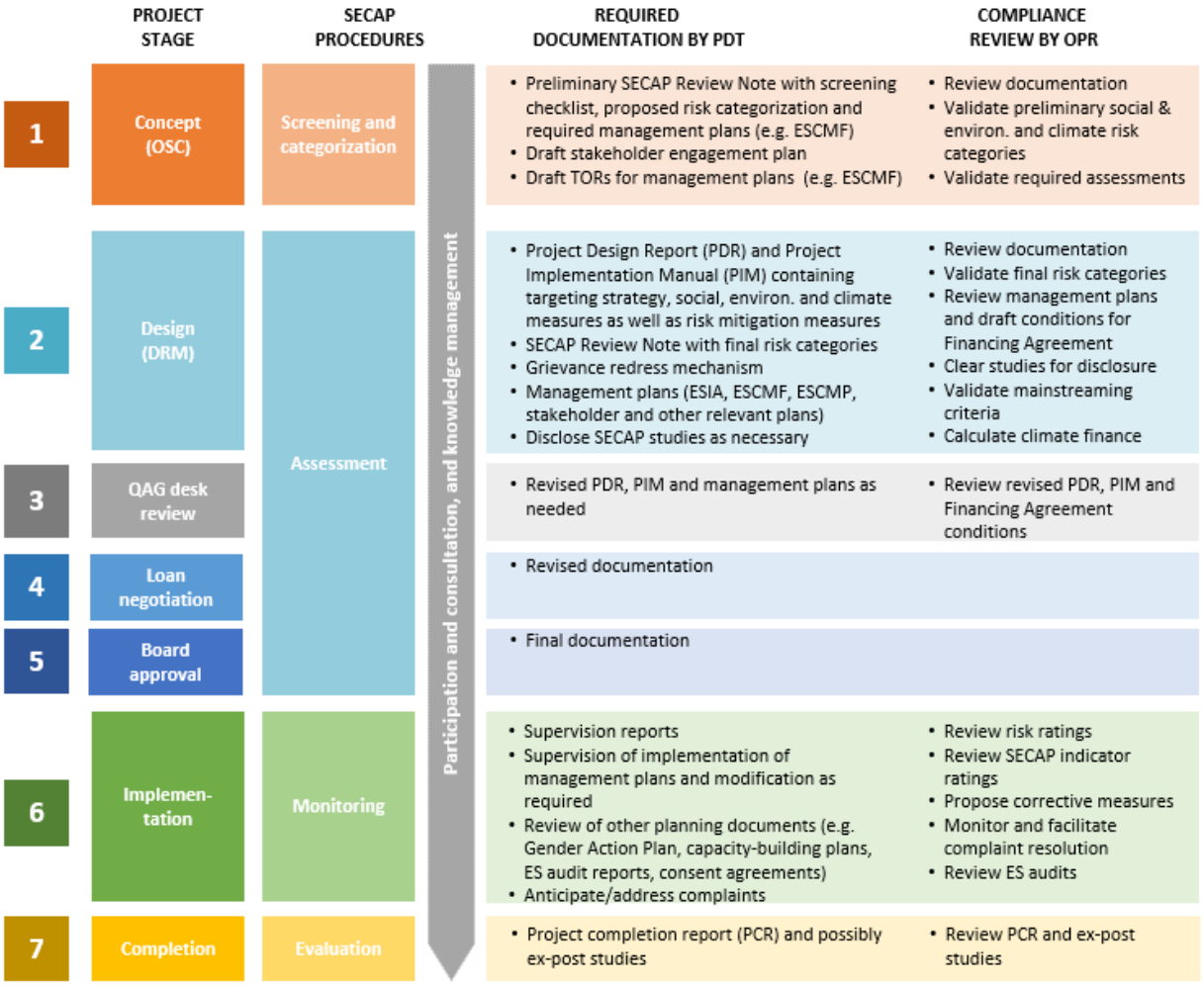
54. Discussion of potential trade-offs among the mainstreaming themes should be addressed during both COSOP and project design in the review of the SECAP-related assessments, and raised in consultation with government counterparts, beneficiary representatives and financing and/or implementing partners. While there is no one magical assessment procedure which can identify the best net trade-off between competing objectives and in light of multiple constraints, there are frameworks, approaches and specific technical tools highlighted and inventoried in this chapter which are useful resources for the COSOP Development Team and PDT.

55. Importantly, as a matter both of principle and investment impact, whatever approach is selected should effectively engage communities throughout the project cycle, not just during the design phase (see also IFAD’s Framework for Operational Feedback from Stakeholders). A genuinely participatory design process will facilitate a shared vision and mapping of pathways towards rural household and community-level transformation. It is possible to allocate time and resources over the project cycle to ensure that preliminary studies are conducted that feed into the project design. Household methodologies are particularly valuable during implementation (including to validate and establish a baseline) and can be truly effective if they repeated and followed-up several times. They are not just a diagnostic tool but can be a transformative tool if implemented properly. Finally, it is important not to overlook cross-cutting dimensions of mainstreaming such as targeting, capacity development, and principles of good practice during implementation and knowledge management.

3. SECAP in the project cycle

56. This section sets out the steps that projects entering the pipeline must take over the project cycle. The integration of SECAP into IFAD's project cycle is represented schematically in Figure 2 below. An overview of steps to be taken by NSO projects entering the pipeline is provided in annex 2.

Figure 2. The seven steps of SECAP in the project cycle



(m) 3.1 Step 1 – Screening and categorization (OSC stage)

57. The first step of SECAP is a mandatory preliminary screening and categorization exercise at the OSC against the nine Standards (presented in Section 4). The screening results in a proposed environmental and social category and climate risk classification for the project, together with the necessary actions to address the associated environmental, social and climate risks. The screening tool and checklist should be used in conjunction with the Exclusion list (see annex 4).

58. The purpose of the screening is to identify the main social, environmental and climate impacts and risks associated with a potential project, define the necessary steps for further analysis, and identify the relevant measures to enhance development opportunities and minimize potential risks. The findings are included in the PCN for

consideration at the Operational Strategy and Policy Guidance Committee's OSC review meeting. The justification for the preliminary category and classification is provided in the completed screening and preliminary SECAP review note (see IFAD Operations Manual and Volume 3).

59. Any risks or potentially adverse impacts on disadvantaged groups, women, men, girls and boys are identified as early as possible as part of the screening and reflected in the SECAP Review note. This includes identifying differentiated impacts by gender and age where relevant, as well as adverse impacts on gender-based violence including sexual exploitation abuse, and persons with disabilities. The screening exercise also allows IFAD to highlight investments with a higher potential for climate adaptation and greenhouse gas emissions and the probability of losses/damages from climate-related events, which can also help IFAD make a case for the allocation of additional climate finance.

60. Where feasible, the exercise should draw on and be informed by the issues raised in the SECAP background study prepared for the COSOP and other climate-related studies provided by the borrower/recipient/partner. The exercise culminates in the preparation of the Preliminary SECAP Review Note and completed screening, and should be attached to the PCN to be submitted to OSC. At OSC stage, OPR validates the preliminary environmental and social category and climate risk classification of the project.

61. Guiding questions for screening and the template for the (preliminary) SECAP Review Note are provided in IFAD's Operations Manual and Volume 3. The (preliminary) note should contain the following:

    (i) An overview of the main social, environmental and climate issues in the project area and identification of any significant impacts (positive and negative) likely to be associated with the project (clearly indicating any community concerns). The overview should provide information about environmental, social and climate issues to determine if an in-depth impact assessment is warranted. The screening is considered a minimum requirement for all projects, including those which do not warrant further analysis. This analysis also represents a good opportunity to identify mainstreaming prospects and pathways (see chapter 3).

    (ii) The justification for the category and classification, assigned to the proposal on a preliminary basis. It should also include references to the country's social, environmental and climate change policies, legislation and institutions, as well as the social, environmental and climate screening requirements of any cofinancier. For proposals initiated by the cofinancier, this should include a description of the social, environmental and climate adaptation/mitigation requirements of the cofinancing agency and the extent to which they satisfy IFAD requirements. The potential cumulative impacts should be taken into account in assigning the risk category and classification.

    (iii) An identification of the specific requirements for future project processing, including: (a) preliminary indications of the scope of required environmental and social impact assessments, studies and management plans, as well as climate risk analysis; (b) any consultation requirements of the project proposal, including the views of interested parties on these dimensions of the proposal; and (c) estimated budgetary requirements.

62. To ensure an integrated approach to environmental and social management, the relevant SECAP annexes and guidance notes, IFAD how-to-do notes (such as on FPIC, Grievance Redress Mechanism and Stakeholder Engagement) and case studies should be consulted. The preliminary/final category and classification and the basis for their selection should be reflected on IFAD's corporate dashboard (through the Grants and Investments Projects System) and in the relevant sections of the respective documents (PCN, PDR, President's Memo) including the SECAP Review Note, which is an Annex of the PDR. The project risk category and classification are monitored on a regular basis throughout the life of the project and updated based on changes as necessary.

63. The OSC step is the responsibility of the PDT, which will work closely with the regional directors. For all projects with High or Substantial Risk categories for Environmental and & Social or Climate (see risk categorization below), the PDT will involve a representative of ECG during all the steps. OPR will review and validate the results of the screening and categorization and the supporting elements for Step 2, including mainstreaming issues discussed in chapter 2.

3.1.1. Environmental and Social risk category for projects

64. The environmental and social risk categories consist of four levels ("High", "Substantial", "Moderate", "Low").

65. Risk categories are determined according to the nature and sensitivity of the project area, the significance and magnitude of potential impacts, and cumulative and induced impacts. Guiding questions for environmental and social risk classification can be found in Volume 3. The different environmental and social categories are presented in Table 3 below. For projects with several components/subprojects, the highest risk category of the components/subproject will be considered as the overall risk category of the project.

Table 3. Environmental and social risk categories

Category	Environmental and Social Risks
High	**High Risk**: The classification takes into account whether the potential risks and impacts associated with the project have the majority or all of the following characteristics:[19] • result in sensitive, irreversible or unprecedented, significant risks and impacts (for example, resulting in loss of major natural habitat or conversion of wetland); • result in risks and impacts that are significant in magnitude and/or spatial extent (the geographical area or size of the population likely to be affected is large to very large); • have significant risks and impacts that affect an area much broader than the sites or facilities subject to physical interventions; • result in significant adverse cumulative impacts and/or transboundary impacts; • high probability of serious adverse effects to human health and/or the environment (e.g. due to accidents, toxic waste disposal); • risks/impacts are not readily remedied by preventive actions or mitigation measures; • the area to be affected is of high value and sensitivity – for example, sensitive and valuable ecosystems and habitats (legally protected and internationally recognized areas of high biodiversity value), lands or rights of indigenous peoples and historically underserved local communities and other vulnerable minorities, intensive or complex involuntary resettlement or land acquisition, or impacts on cultural heritage; • there are significant concerns that the adverse social impacts of the project, and the associated mitigation measures, may give rise to significant social conflict or harm or significant risks to human security; • there is a history of unrest in the project area, and there may be significant concerns regarding the activities of security forces; • the project is being developed in a legal or regulatory environment where there is significant uncertainty or conflict as to jurisdiction of competing agencies, or where the legislation or regulations do not adequately address the risks and impacts of complex projects, or changes to applicable legislation are being made, or enforcement is weak; • there are significant concerns related to the capacity and commitment for, and track record of, relevant project parties in relation to stakeholder engagement; or there are a number of factors outside the control of the project that could have a significant impact on environmental or social performance and outcomes of the project. Additionally, a project is classified as “High Risk” when it finances one or more of the following activities: • new construction, rehabilitation or upgrade of large/major dams/reservoirs (more than 15 metre high wall, more than 500-metre long crest, and/or with a reservoir exceeding 3 million m^3) or incoming flood of more than 2,000 m^3/s • New construction or upgrade of large-scale irrigation schemes (above 999 hectares per scheme) • New construction, or upgrade of rural roads (Annual Average Daily Traffic (ADDT) above 1000) • Surface water abstraction: significant extraction/diversion/containment of surface water, leaving the river flow less than 5% above the environmental flow when downstream user requirements are taken into account; • Ground water abstraction: withdrawal of groundwater in areas already experiencing soil subsidence due to over-abstraction and/or increasing groundwater depth (e.g. observed in existing wells) and/or withdrawal of groundwater close to the recharge rate considering all abstraction needs from the groundwater unit. • large-scale acquaculture or mariculture of at least 50 hectares on one site; • economic or physical displacement (e.g. land, potable water and water for other uses), or physical resettlement of more than 100 households/businesses and/or significant loss of assets or access to resources (over 15 per cent reduction in a farmer’s assets or a community’s assets); • conversion and loss of physical cultural resources.

[19] High Risk projects require higher corporate attention and are assigned "Track 1" under the IFAD project review and processes [High Risk (former Category A) projects are presented to an Executive Board session for approval].

Category	Environmental and Social Risks
Substantial	**Substantial Risk**: A project should be classified as Substantial Risk when it is not as complex as a High Risk project, and its environmental and social scale is not in such a sensitive area, although some risks and impacts may be significant if not adequately managed. The categorization would take into account whether the potential risks and impacts have the majority or all of the following characteristics: • they are mostly temporary, predictable and/or reversible, and the nature of the project does not preclude the possibility of avoiding or reversing them; • there are concerns that the adverse social impacts of the project, and the associated mitigation measures, may give rise to a limited degree of social conflict, harm or risks to human security; • they are medium in magnitude and/or in spatial extent (the geographical area and size of the population likely to be affected are medium to large); • the potential for cumulative and/or transboundary impacts may exist, but they are less severe and more readily avoided or mitigated than for High Risk projects; • there is medium to low probability of serious adverse effects to human health and/or the environment (e.g. due to accidents, toxic waste disposal), and there are known and reliable mechanisms available to prevent or minimize such incidents; • the effects of the project on areas of high value or sensitivity are expected to be lower than for High Risk projects; • mitigation and/or compensatory measures may be designed more readily and be more reliable than those of High Risk projects; • the project is being developed in a legal or regulatory environment where there is uncertainty or conflict as to jurisdiction of competing agencies, or where the legislation or regulations do not adequately address the risks and impacts of complex projects, or changes to applicable legislation are being made, or enforcement is weak; • the past experience of the borrower/recipient/partner and the implementing agencies in developing complex projects is limited in some respects, and their track record regarding environmental and social issues suggests some concerns which can readily be addressed through implementation support; or there are some concerns over the capacity and experience in managing stakeholder engagement, but these could be readily addressed through implementation support. Additionally, a project is classified as “Substantial Risk” when it finances one or more of the following activities: • New construction, rehabilitation or upgrade of medium dams/reservoirs (between 10-14 metre high wall, and/or with a reservoir between 100,000 – 3 million m^3); • New construction or upgrade of medium-scale irrigation schemes (between 300-999 hectares per scheme); • New construction or upgrade of rural roads (AADT between 400-1000); • development of an agroprocessing facility; • construction or operation causing increase in traffic in rural roads; • economic or physical displacement (e.g. land, potable water and water for other uses), or physical resettlement of 20-100 households/businesses and/or between 10 and 15 per cent reduction in a farmer’s assets or a community’s assets.

Category	Environmental and Social Risks
Moderate	**Moderate Risk**: A project should be classified as Moderate Risk when potential adverse risks and impacts on human populations and/or the environment are not likely to be significant. This is because the project is not complex and/or large, does not involve activities that have a high potential for harming people or the environment, and is located away from environmentally or socially sensitive areas. The potential risks and impact are likely to have the following characteristics: • predictable and expected to be temporary and/or reversible; • low in magnitude; • site-specific, without the likelihood of impacts beyond the actual footprint of the project; • low probability of serious adverse effects to human health and/or the environment (e.g. do not involve use or disposal of toxic materials, routine safety precautions are expected to be sufficient to prevent accidents); and/or • the project's risks and impacts can be easily mitigated in a predictable manner. Additionally, a project is classified as "moderate" when it finances one or more of the following activities: • Small dam/reservoir construction (between 5-9 metre high wall, and/or with a reservoir below 100,000m^3); • Construction of large-scale irrigation schemes rehabilitation/development (below 300 hectares per scheme); and/or • New construction, rehabilitation or upgrade of rural roads (AADT below 400) •
Low	**Low Risk**: A project should be classified as Low Risk if it will have negligible or no environmental or social implications. Examples include: • technical assistance grants for agricultural research and training; • research; • extension; • health; • nutrition; • education; and • capacity- and institution-building.

3.1.2. Nature and sensitivity of project location

66. 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 sociocultural 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 and nature reserves, biosphere reserves); areas of global significance for biodiversity conservation; natural and critical habitats also dependent on 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 degradation; rural communities that may be vulnerable to social change and exposure to health risks; and areas that include physical cultural resources (of historical, religious, archaeological 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 ESCMP. Projects located in such "sensitive areas" may be considered for High Risk and Substantial Risk classification and should involve extensive community consultations because of their potentially serious negative impacts on ecosystems and the health and livelihoods of the poorer constituents of these areas. The projects should also have effective grievance redress mechanisms to promptly respond to concerns and complaints related to the environmental and social performance of the project.

3.1.3. Significance of impacts

67. Significance is a composite measure of the nature (type, intensity), magnitude (size/extent), timing and duration of an impact, as well as the attribution of importance or value to these findings, e.g. societal values. 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. In addition, the probability of occurrence for a specific impact and the cumulative impact of the proposed action and other planned or ongoing actions should be considered. For example, conversion of 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, significance can be measured in social terms – by the number of rural communities or villages (and livelihoods) affected positively and negatively by a proposed project. (For example, in areas that support multiple livelihoods, an intervention that might benefit a large number of crop producers might lead to a smaller number of livestock herders, fishers, hunters, etc. losing their livelihoods.) Impacts should be disaggregated by sex, as well as by age and wealth, where relevant.

3.1.4. Cumulative and induced impacts

68. Other current and proposed development activities within the project area, spontaneous activities spurred by a project (e.g. migration of people into the area or increased charcoal production in an area opened by a road project), and externalities beyond the project boundary must be taken into account in all environmental and social assessments. Such cumulative or induced impacts may sometimes be the primary determinant of the appropriate level of environmental analysis.

69. For community-demand-driven projects, it may be difficult to predetermine the potential adverse impacts until the project is under way. Although the magnitude of impacts would depend on the scale of 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 Substantial Risk projects.

3.1.5. Climate risk classification

70. In addition to the environmental and social categorization process, a parallel exercise should be undertaken by PDTs to determine the exposure and sensitivity of the project objectives to climate-related risks, based on available information about historic climate hazard occurrences, current climate trends, and future climate change scenarios. The climate screening will also assess the likelihood of the project activities increasing the vulnerability of the expected target populations to climate hazards. It should examine the potential opportunities that arise from a better integration of climate issues and appropriate mitigation responses. The climate risk screening and categorization will allow a determination to be made as to the extent of further climate change risks assessments and mitigation measures that should be implemented during the next steps and especially prior to the DRM.

71. The manner in which the climate risk analysis will be conducted and the issues to be addressed will vary for each investment. High Risk and Substantial Risk climate projects will require an in-depth climate risk analysis and abbreviated in-depth climate risk

analysis, respectively (see model terms of reference in IFAD's Operational Manual and Volume 3). These analyses should examine the nature of climate and disaster hazards in the geographical location of the project, as well as the exposure and sensitivity of project-affected communities, ecosystems and critical infrastructure to these hazards.

72. Based on this analysis, practical risk management and adaptation measures can be defined and integrated into 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. When appropriate, they can also include diversification strategies (on- and off-farm) and risk transfer solutions, such as insurance. Emissions from projects with significant mitigation potential will be quantified using existing tools and methodologies, as appropriate. If a project has significant climate sensitivity, additional financing may be mobilized from dedicated funds (such as the Adaptation Fund, Global Environment Facility, Least Developed Countries Fund, Special Climate Change Fund, Green Climate Fund) to finance these complementary actions.

73. The classifications for climate risk are defined in Table 4 below.

Table 4. Climate risk classifications

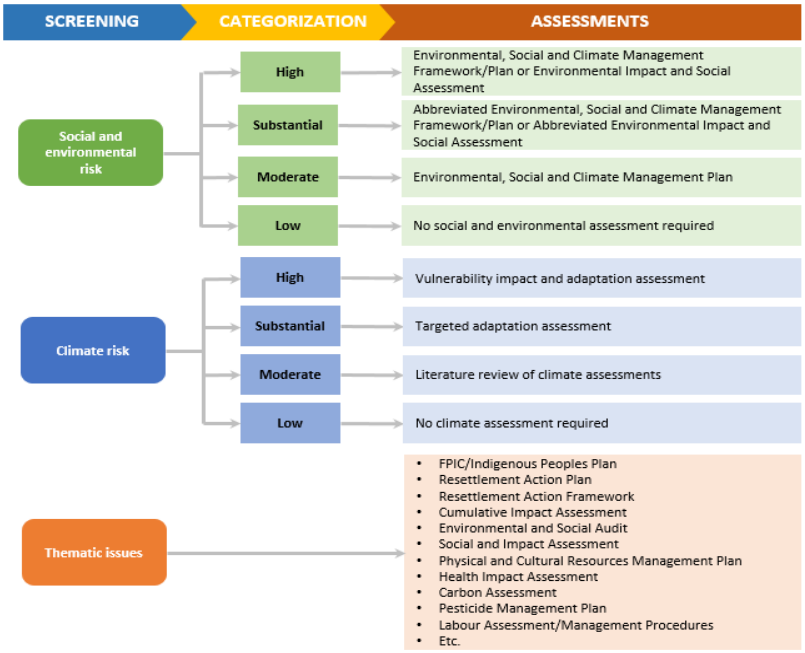
Classification	Climate Risk
High	**High Risk**: The project can be expected to be highly vulnerable to climate-related hazards and thus would benefit from an in-depth climate risk analysis (see Volume 3 for terms of reference) as part of the design or initial implementation stage. This analysis should present recommendations for risk management – for example, 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 cofinancing of targeted risk reduction and adaptation/mitigation measures. Some examples of High Risk projects include: • projects that promote agricultural activity in areas subject to extreme climatic events, such as flooding, drought, tropical storms or heat waves; • projects where climate scenarios for the area foresee changes in temperature, rainfall or extreme weather that will adversely affect project impact, sustainability or cost over their lifetime; • projects that make investments in low-lying coastal areas/zones exposed to tropical storms; • projects that makes investments in glacial areas and mountain zones; • projects that promote agricultural activity in marginal and/or highly degraded areas that have increased sensitivity to climatic events (such as on hillsides, deforested slopes or floodplains); • projects in areas in which previous rural development projects have experienced weather-related losses and damages resulting from prolonged droughts or floods; and • projects that establish infrastructure in areas with a track record of extreme weather events (e.g. cassava processing in areas exposed to flooding or storms, a dairy plant in a floodplain, a grain storage silo in a zone that is prone to tropical storms, rural roads in flood-prone areas, water points in drought-prone areas).
Substantial	**Substantial Risk**: The project can be expected to be sensitive to climate risks and thus require further understanding of its vulnerability to climate risk so that the necessary mitigation measures can be undertaken during the project design phase or through relevant plans. Substantial Risk examples include: • projects that target groups entirely dependent on natural resources (such as seasonal crops, rainfed agricultural plots, migratory fish stocks) that have been affected by in the last decade by climate trends or specific climatic events; • projects where climate variability is likely to significantly affect agricultural productivity (crops, livestock and fisheries), access to markets and/or the associated incidence of pests and diseases for the project target groups; • projects investing in climate-sensitive livelihoods that are very diversified; • projects investing in infrastructure that is exposed to infrequent extreme weather events but whose frequency is likely to increase;

Classification	Climate Risk
	• projects that would benefit from a more thorough climate risk and vulnerability analysis to identify the most vulnerable rural populations, improve targeting, and identify additional complementary investment actions to manage climate risks.
Moderate	**Moderate Risk**: The project can be expected to be moderately sensitive to climate risks and thus may require 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 and capitalize on opportunities to strengthen local risk-management capacities. Moderate risk examples include: • projects that target groups partially dependent on natural resources (such as seasonal crops, rainfed agricultural plots, migratory fish stocks) that have been affected by in the last decade by climate trends or specific climatic events; • projects where climate variability may affect agricultural productivity (crops, livestock and fisheries), access to markets and/or the associated incidence of pests and diseases for the project target groups but only for worst-case scenarios; • projects investing in climate-sensitive livelihoods that are moderately diversified; • projects investing in infrastructure that is exposed to infrequent extreme weather events but whose frequency may increase in a worst-case scenario; • projects investing in institutional development and capacity-building for rural institutions (such as farmer groups, cooperatives) in climatically heterogeneous areas; • projects that have the potential to become more resilient through the adoption of green technologies at a reasonable cost; • projects with opportunities to strengthen indigenous climate risk management capabilities; • projects with opportunities to integrate climate resilience aspects through policy dialogue to improve agriculture sector strategies and policies; and • projects with potential to integrate climate resilience measures without extensive additional costs (e.g. improved building codes, capacity-building, including climate risk issues in policy processes).
Low	**Low Risk**: The project 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 climate change specialist and modelling consultancy.

74. The results of the E&S and climate risks categorization have implications for the next steps of the project cycle. These implications are summarized in Figure 3 below and are further detailed in the next sections for each of the steps. 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. The different methods and tools to carry out the environmental and social assessment and to document the results, including mitigation measures, will reflect and be proportional to the nature and scale of the project. Depending on the scale and nature of the potential risks and impacts, different thematic issues will apply irrespective of the environment and social category of the project.

75. The supporting tools discussed in this section – including terms of reference, checklists, templates, among others, for ESIA, ESCMP, SECAP Background Study, Vulnerability impact and adaptation assessment, Targeted adaptation assessment, terms of reference for RAP, and Integrated Pest Management and SECAP review note – are provided in Volume 3. Additionally, Annex 1 includes a short description of the different methods and tools to carry out assessments and studies and to document the results.

Figure 3. Implications of categorization



(n) 3.2 Step 2 – Design stage (design review meeting)

76. The second step in the process involves the mandatory preparation of the final SECAP review note and, depending on the risk category, the development of mandatory studies such as ESIA/ Abbreviated ESIA, or ESCMF/Abbreviated ESCMF, and/or specialist plans such as RAP/RAF, Indigenous Peoples Plan, FPIC/FPIC Implementation Plan, Pesticide Management Plan, Cultural Resources Management Plan/Chance Finds, among others. The objective of these studies and plans are to ensure that the borrower/recipient/ partner will design, develop and operate the project(s) in line with SECAP requirements, local regulations and good industry standards. This step further involves an assessment of the project design documentation at the DRM. The extent of this review and the due diligence are commensurate with the level of risk, i.e. the result of the screening and categorization (Step 1).

77. The manner in which the environmental and social assessments and climate risk analysis will be conducted and the issues to be addressed will vary for each investment.

78. For High Risk projects, an ESIA is required, unless project sites have not yet been selected, in which case an ESCMF is developed. Where there is a risk of resettlement, a RAP is required, unless project sites and affected persons have not yet been selected, in which case a RAF is developed. On or more thematic studies (see figure 3 above) may be required to accompany the ESIA or ESCMF. The ESIA/ESCMF should incorporate an ESCMP. In addition, flexibility in the form of a two-phased approach may be applied. The first phase of the project would provide for necessary SECAP studies and other relevant assessments to be conducted while less risky activities are undertaken, for Executive Board approval. In the second phase, the project design with the required studies (e.g. ESIA, RAP, FPIC Plan, feasibility studies) would be submitted to the Executive Board for approval. More details on the required content of these documents can be found in Volume 3.

79. For Substantial Risk projects, one or more of the following may be required: a formal SECAP review note or abbreviated ESCMF; an abbreviated RAF/RAP; and/or Indigenous Peoples Plan/FPIC Implementation Plan. The SECAP review note/abbreviated ESCMF should incorporate an ESCMP.

80. ESIA reports are approved by the government and subsequently cleared by the relevant regional director after technical judgement has been provided by ECG and the Production, Markets and Institutions Division (PMI). SECAP documents associated with High Risk projects are disclosed in an accessible place at the country level and on IFAD's website.

81. In cases where ESIA studies and/or RAPs have already been conducted prior to IFAD's involvement in the project, IFAD will review the existing studies and consultation process and propose additional studies to address significant environmental and social issues and/or gaps that were left out or not adequately addressed in order to meet SECAP requirements. The draft ESIA (and relevant studies) are submitted together with the PDR to DRM. The PDT will disclose the final project's category and classification on IFAD's corporate dashboard (through the Grants and Investments Projects System) and in project documents.

82. For projects with High and Substantial environmental and social risks, the due diligence process entails a critical review of the documentation provided by the borrower/recipient/partner that should involve independent environmental and social specialists/consultants who can undertake site visits and interviews with project representatives and relevant stakeholders. This is to gain first-hand knowledge of the project and to meet with the project sponsor and representatives of affected groups to discuss environmental and social concerns and information needs. This also allows IFAD to have a more holistic view of the project's key environmental and social risks and project's management capabilities and resources.

83. For Moderate Risk projects, the following will be required: the final SECAP review note and ESCMP, indicating how potential risks and impacts will be avoided or mitigated; and an environmental and social monitoring programme. For projects with Moderate climate risk category, a basic climate analysis will be required.

84. The environmental and social analysis and due diligence process of all projects should be undertaken in synchronization with the project life cycle so that the findings and results from the relevant studies, as applicable, can inform the project design and implementation and vice versa, thereby adding value. It is the responsibility of the PDTs to ensure that the ESIA and relevant studies are undertaken by the borrower/recipient/partner in a manner that complies with both IFAD's and the country's relevant environmental policies, laws and guidelines, fulfils the terms of reference, and meets the expectations of both IFAD and the borrower/recipient/partner.

85. For Low Risk projects, no studies are required.

(o) 3.3 Step 3 – Quality Assurance Group Desk Review

86. The third step in the SECAP assessment process is the finalization of the studies and plans of Step 2 (draft ESIA, ESCMF, ESDD, climate risk analysis, and other relevant draft documents) and incorporation of their recommendations into the project design documentation.

87. Prior to the QAG Desk Review, all ESIA/ESCMF reports and other relevant documents

(for High Risk projects) should be made available on the IFAD website and at a public place in the project-affected area (at least 120 days prior to the respective EB meeting for High Risk projects), accessible to interested and affected groups and local NGOs for review and feedback in a timely manner and in accordance with the country's regulations.

88. The final design mission (if any) should critically review all the comments and recommendations of the draft ESIA and climate risk analysis reports (and other relevant documents or frameworks), including any outstanding issues identified by the DRM (Volume 3 provides an annex with questions to be answered in the technical review of the ESIA), and discuss these with the government and all interested and affected parties, especially affected rural communities.

89. The PDT will ensure that the SECAP Review Note and/or (abbreviated) ESIA/ESCMF/ESDD are finalized, taking into account the feedback received from the DRM, and that the recommendations have been adequately addressed in the final project design and the respective PDR and ESCMP. The recommendations may include alterations to the project design, incorporation of additional preventive actions and/or mitigation measures to be undertaken by the borrower/recipient/partner, including timelines, deliverables and associated cost, suggested Financing Agreement covenants, supervision requirements, necessary institutional capacity-building for environmental and social management, and any specific monitoring and evaluation requirements. The QAG Desk Review is undertaken after the DRM meeting for loans/grants and prior to Associate Vice President/Programme Management Department approval. The (abbreviated) ESIA/ESCMF/ESDD, RAP/RAF and other relevant documents are stored in the Operation Document Centre.

(p) 3.4 Step 4 – Loan negotiation

90. The fourth step in the process involves negotiation of the Financing Agreement for the project, which takes place between IFAD and the borrower/recipient/partner. To enhance environmental and social sustainability, the Financing Agreement, Grant, General Conditions for Agricultural Development Financing or any instruments to support public and private sector operations includes any specific environmental and social actions that the borrower/recipient/partner commits to taking over a specified timeframe. The actions may include compliance with international standards, implementation of the project ESCMP, labour management practices, environmental and social reporting to IFAD, and any other safeguard instruments such as RAPs, environmental and social approvals and local permits. The Financing Agreement, Grant, or any instruments to support public and private sector transactions may include legal obligations and would form the legal basis for monitoring the environment and social performance of the project during implementation.

(q) 3.5 Step 5 – Executive Board approval

91. The fifth step in the SECAP process involves review and approval of SECAP documentation by IFAD's Executive Board. The Executive Board reviews the President's Report and related project documentation. For all High and some Substantial Risk projects, the final ESIA/ESCMP report (and relevant documents) are made available as per the IFAD Policy on the Disclosure of Documents and at least 120 days prior to Executive Board review. In cases where the Executive Board raises specific social, environmental and/or climate-related concerns that have not been addressed adequately, both the President's Report and the PDR must be revised to take these issues into

account before public disclosure.

(r) **3.6 Step 6 – Risk monitoring during project implementation**

92. The sixth step in the process is the monitoring of the project by the borrower/ recipient/partner, complemented with supervision and implementation support by IFAD. Monitoring will normally include tracking implementation and performance of recommended social, environmental and climate adaptation/mitigation actions/measures (including adaptive management processes) contained in the ESCMP, relevant plans (e.g. RAP, IPP), bidding documents and other relevant Financing Agreement covenants. For projects involving cofinanciers or third parties responsible for managing specific risks/impacts or mitigation measures, based on an agreed common approach, IFAD and the borrower will collaborate with such cofinanciers/partners to monitor performance of such mitigation measures. The SECAP indicators ratings based on project supervision will be reflected in ORMS.

93. Careful attention should be given to High Risk or contentious projects, and those Substantial Risk projects deemed to require a high level of focus on SECAP requirements. Projects with High or Substantial environmental and social risks will be required to undergo periodic environmental and social monitoring, including conducting site visits, management interviews and community interviews, to review the main/ongoing environmental and social impacts, the existing mitigation measures, and the effectiveness of grievance redress mechanisms. The borrower/recipient/partner will monitor contractor compliance with relevant environmental and social considerations based on their contractual commitments.

94. Due to country circumstances (e.g. fragile situations) or IFAD's current staffing levels, consistent and extensive supervision by staff may not always be possible. As a consequence, IFAD will examine the possibility of contracting independent experts to undertake monitoring and provide advice on, and oversight to, the project. A model terms of reference for E&S Monitoring is presented in Volume 3.

95. In the event of non-compliance with SECAP requirements or the emergence of serious environmental and social issues or risks during project implementation, the project staff, in collaboration with relevant national authorities, must ensure that appropriate ameliorative action(s) is undertaken to implement preventive and corrective measures, and follow up on these actions in the revised ESCMP (and other plans) to ensure their effectiveness. In such cases, IFAD, in consultation with the borrower/recipient/partner, may choose to undertake supplemental supervision actions. This is especially important for High Risk projects. If there are significant changes to projects or if new changes to environmental or social conditions result in additional risks and impacts, the borrower/recipient/partner will notify IFAD promptly, provide information on such risks and impacts, and consult with project-affected parties on how to mitigate the risks and impacts. The borrower/recipient/partner will carry out, as appropriate, additional assessments[20] and stakeholder engagements in accordance with SECAP requirements, and propose changes including corrective measures to the ESCMP, in accordance with the findings of such assessment and consultation, for approval by IFAD. This could also include opportunities to promote mainstreaming objectives. In the extreme case where the project is in non-compliance with a Financing Agreement or legal instrument, legal remedies may be applied. A focus on strengthening the capacity of national regulatory

[20] The requirements of the ESS will relate to the reasons for which the risk rating has increased.

agencies and structures to monitor environmental and social considerations and enhance decision-making will continue to have priority. Impacts which result in changes to the project's risk category will be documented and justified in the supervision report and ORMS. All projects that are upgraded to High Risk during implementation will be brought to the Executive Board for approval as per the IFAD Policy on Project Restructuring, Level 1.

96. The project risk category/classification and implementation of required risk management plans are monitored on a regular basis throughout the life of the project and updated based on changes as necessary.

(s) 3.7 Step 7 – Project completion

97. The seventh and final step in the process is project completion reporting and ex-post evaluation of the project's environmental and social impacts. Completion reports of all projects should provide a specific analysis of the impact of social, environmental and climate issues (may include risk management and disaster preparedness) arising from project implementation and provide insight into any problems and resolutions that have occurred over the life of the project. The analysis should take special note of views expressed by rural beneficiaries. For direct investment in High Risk projects, an ex-post ESIA may be undertaken as part of project completion, involving extensive community consultation. The ex-post exercise will assess the effectiveness of the environmental, social and climate measures and sustainability of the results.

(t) 3.8 Additional financing and operations requiring rapid approval

98. For projects/operations that require new additional financing (including filling a financing gap anticipated during the project design stage) and rapid approval (including emergency operations that will be governed by the Special Programme for engagement in countries with fragile situations), a key action is to assess whether the ongoing/new activities may result in issues not earlier anticipated in the existing project. The findings are articulated in the existing SECAP Review Note or a new Note to be developed. The Note will take into account the new activities/components, geographical expansion, new cofinancing partners, assessments of performance in relation to environmental and social risk management activities of the existing project, vulnerability to climate-related risks, as well as whether scaling up of activities and potential adverse cumulative impacts are envisaged. The updated SECAP Review Note/ESCMP and/or related SECAP frameworks (may include plans and/or an environmental and social audit), the President's Memo and decision memo should confirm the above aspects, including any changes to the existing environmental and social category and climate risk classification. An adequate budget should be allocated accordingly to address the newly identified environmental, social and climate measures effectively. Additional financing also provides an opportunity to mobilize environment and climate funds. OPR will review the updated SECAP review note/ESCMP, draft Project Implementation Manual (PIM), draft decision memo and President's Report and provide clearance on compliance with SECAP.

• 4. Borrower/recipient/partner Requirements: The Social, Environmental and Climate Standards

(u) Introduction

99. IFAD's Environmental and Social Standards (ESS) comprise key areas of environmental and social sustainability that projects are required to meet. The Standards are directed to IFAD PDTs (and the cofinancier, if applicable) during project design and implementation support, and to the borrowers/recipients/partners, which are ultimately responsible for the implementation of projects.

100. The Standards are based on international good practices of the United Nations and other International Financial Institutions and Multilateral Development Banks. They should be read as a whole and cross-referenced as necessary. The complete list of Standards is as follows:

Standard 1:	Biodiversity Conservation
Standard 2:	Resource Efficiency and Pollution Prevention
Standard 3:	Cultural Heritage
Standard 4:	Indigenous Peoples and Historically Underserved Local Communities
Standard 5:	Labour and Working Conditions
Standard 6:	Community Health and Safety
Standard 7:	Physical and Economic Resettlement
Standard 8:	Financial Intermediaries and Direct Investments
Standard 9:	Climate Change

101. All projects undergo an environmental, social and climate appraisal to help IFAD determine whether a project or a component of a project should be supported. If the project should be supported, the appraisal determines the way the risks (both those that affect and those that are caused by the project and related activities) and impacts should be addressed in project planning and implementation. The degree of risk will be determined by the appraisal on a case-by-case basis, and mitigation measures will be appropriate to the nature and scale of the project and commensurate with the level of its environmental, social and climate risks and impacts. The appraisal will also assess the capacity and commitment of the borrower/recipient/partner to implement the project in accordance with the relevant Standards. In the event unforeseen environmental and social issues or risks arise during project implementation, the project staff, in collaboration with relevant national authorities, must ensure that adjustment or introduction of appropriate mitigation measures is undertaken.

102. For any IFAD-supported project, the identification of the relevant requirements, as laid out in these Standards, and how they will be dealt with through the project life cycle, is addressed during the assessment process which is outlined in Section 3 above of SECAP.

(v) Standard 1: Biodiversity Conservation

Introduction

1. In line with the United Nations Convention on Biological Diversity, this Standard recognizes that biodiversity is about more than plants, animals and micro-organisms and their ecosystems – it is about people and our need for food security, medicines, fresh air and water, shelter, and a clean and healthy environment in which to live.[21] Biodiversity is essential for the maintenance of ecosystem services, such as the provision of water and food, as well as other services that are important to both the ecosystems themselves and human life. Diversity in agroecological systems is a key element in building resilience capacities of rural families and their farming systems. Conservation of biodiversity aims to maintain global biological resources and their related services to meet the needs of humanity today while ensuring availability for future generations – a fundamental criterion of sustainable development. Protecting biodiversity starts with sustainable natural resource management planning, in accordance with the Convention on Biological Diversity (CBD). However, for the sake of IFAD's ESS, requirements concerning natural resources will be outlined in Standard 2: Resource Efficiency and Pollution Prevention; Standard 1 will focus on the impacts on, and risks to, biodiversity from project activities. Losing biodiversity at the genetic, species or ecosystem level means losing opportunities for coping with future challenges (e.g. related to climate change, energy, food security).
2. Conservation of biodiversity in agroecosystems, fishery ecosystems and community co-managed protected areas should be a cornerstone of IFAD projects, particularly those associated with agricultural development. Value chain development projects may also offer opportunities for preserving biodiversity by promoting the sustainable production and/or harvesting and marketing of products derived from local plant varieties and breeds (e.g. underutilized species), locally used plants (e.g. medicinal plants) and non-timber forest products. Short value chains supplied by many small producers, who use considerably more species and varieties than larger farms, are more suitable for the conservation of agrobiodiversity than long value chains served by a few large farms with monocultures. In addition, agricultural practices such as mixed cropping, shifting cultivation and agroforestry have proved to be beneficial for climate change adaptation and improved and longer-term sustainable agricultural productivity. Securing farmers' access to a diversity of plant and animal genetic resources is crucial in supporting their capacities to adapt and build resilience against the rapidly increasing pressures from climate change and variability.

Objectives

- Maintain and conserve biodiversity.
- Ensure the fair and equitable sharing of the benefits from the utilization of genetic resources.
- Respect, preserve, maintain and encourage knowledge, innovations and practices of indigenous peoples and historically underserved local communities, and local

[21] Convention on Biological Diversity, available at www.cbd.int.

communities relevant for the conservation and sustainable use of biodiversity and their customary use of biological resources.

- Adopt the use of a precautionary approach to natural resource conservation and management to ensure opportunities for environmentally sustainable development.

Scope of Application

3. This Standard and its associated requirements apply to all projects that are supported by IFAD and are:
    - located in modified, natural and/or critical habitats;
    - located in areas providing ecosystem services upon which potentially affected stakeholders are dependent for survival, sustenance, livelihood or primary income, or which are used for sustaining the project;
    - extracting renewable natural resources, i.e. projects that include generation of living natural resources (e.g. plantation forestry, commercial harvesting, agriculture, livestock, fisheries, aquaculture); or
    - involving the use and commercialization of an indigenous knowledge system.
4. This Standard also applies to situations where the livelihood of affected communities, including of indigenous peoples and historically underserved local communities, whose access to, or use of, biodiversity, ecosystem services and/or living natural resources may be affected by project activities.

Requirements

5. **Risk identification and assessment.** IFAD-supported projects will review the significance of the biodiversity and habitats in the proposed project area, including their vulnerability, irreplaceability, protected status, and significance to local communities. Potential direct and indirect impacts on biodiversity, ecosystems and ecosystem services from supported activities will be identified as early as possible.[22] A range of risks will be considered, including those related to habitat and species loss, land degradation and fragmentation, overexploitation, invasive alien species, hydrological changes, nutrient loading, pollution, incidental take of species, potential climate change impacts, and differing values attached to potentially affected biodiversity and ecosystem services by potentially affected communities and other stakeholders.[23]
6. **Avoidance of adverse impacts**. IFAD-supported projects will apply the mitigation hierarchy[24] to anticipate, and as a matter or priority, avoid adverse impacts on biodiversity and ecosystems. Where avoidance of adverse impacts is not feasible, and no viable alternatives are available, such adverse impacts will be minimized,

[22] Effective biodiversity assessments may require significant lead times given seasonal changes and migratory issues.

[23] Biodiversity and ecosystems will be viewed differently depending on the stakeholders and will vary from region to region. Particular biodiversity attributes and ecosystem services will generally be valued differently (e.g. ecologically, economically, culturally) by relevant local, national and international stakeholders (from: UNEP (2020), UNEP Environmental and Social Sustainability Framework ESSF, Nairobi, Kenya).

[24] The mitigation hierarchy is applied by: (a) anticipating and avoiding risks and impacts; (b) where avoidance is not possible, minimizing or reducing risks and impacts; (c) once risks and impacts have been minimized or reduced, mitigating them; and (d) where residual adverse impacts remain, compensating for or offsetting them, where technically and financially feasible.

mitigated, managed or, as a last resort according to the mitigation hierarchy, offset or compensated. Avoidance of significant adverse impacts may at times require redesign of, or not proceeding with, certain activities. In addition, a precautionary approach will be used when addressing potential adverse impacts on biodiversity, ecosystems and communities. Where serious threats exist, a lack of full scientific certainty will not be used to postpone the adoption of effective preventive measures.

7. **Siting preferences and habitats.** IFAD-supported projects will prioritize siting activities with potential adverse impacts far from critical habitats, protected areas (as outlined in para. 13 of this standard), or areas of ecological significance, giving preference to locating activities on lands where natural habitats have already been converted (i.e. modified habitats). Differentiated mitigation approaches will be applied to various habitat types, taking into account the importance of the biodiversity and ecosystems of the areas affected by the project:

- **Where Modified Habitats**[25] are affected, projects proceed only after appropriate mitigation measures are put in place.
- **Where Natural Habitats**[26] are affected, projects proceed only after appropriate mitigation measures are put in place to achieve No Net Loss and preferably a Net Gain of the associated biodiversity values over the long term, along with a robust long-term Biodiversity Action Plan or equivalent that describes conservation outcomes, implementation, monitoring and evaluation.
- **Where Critical Habitats**[27] may be affected, projects will seek to ensure that there are no adverse impacts. A Critical Habitat should not be further fragmented, converted or degraded to the extent that its ecological integrity or biodiversity importance is compromised. Consequently, in areas of Critical Habitat, the borrower/recipient/partner will not implement any project activities unless the following conditions are met:
    - no other viable alternatives within the region exist for development of the project in habitats of lesser biodiversity value;
    - there is no reduction in the national/regional population of any recognized Vulnerable, Endangered, or Critically Endangered species;[28]

[25] For the purpose of this Standard, Modified Habitats are defined as “Areas that may contain a large proportion of plant and/or animal species of non-native origin, and/or where human activity has substantially modified an area´s primary ecological functions and species composition.” (Definition from: IFC (2012) Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources. International Finance Corporation, Washington D.C., USA)

[26] For the purpose of this Standard, Natural Habitats are defined as “Areas composed of viable assemblages of plant and/or animal species or largely native origin and/or where human activity had not essentially modified an area’s primary ecological functions and species composition.” (Definition from: IFC (2012) Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources. International Finance Corporation, Washington D.C., USA)

[27] Critical Habitats is defined as areas with high biodiversity importance or value, including: (a) habitat of significant importance to Critically Endangered or Endangered species, as listed on the International Union for the Conservation of Nature (IUCN) Red List of threatened species or equivalent national approaches; (b) habitat of significant importance to endemic or restricted-range species; (c) habitat supporting globally or nationally significant concentrations of migratory or congregatory species; (d) highly threatened or unique system; and (e) ecological functions or characteristics that are needed to maintaining the viability of the biodiversity values described above in (a) to (d) (World Bank Environmental and Social Framework, 2017).

[28] As listed on the International Union for the Conservation of Nature’s Red List of Threatened Species or equivalent national or regional listings.

- the project is permitted under applicable national environmental laws, recognizing the priority biodiversity features; and
- a robust, appropriately designed, and long-term biodiversity-related action plan is in place to achieve net gains of those biodiversity values for which the Critical Habitat was designated. Existing protected area management plans are reviewed to ensure alignment with this requirement.

8. **Compensation for any unavoidable damage**. In cases of unavoidable damage to biodiversity, the project should compensate for its negative effects on biodiversity by supporting mitigation or restoration of similar biodiversity-rich habitats located elsewhere. IFAD will not use this as a stand-alone solution, but may consider it on a very limited scale, such as when simpler mitigation options have been exhausted (e.g. for routing a road or selecting a site for building a reservoir).

9. **Access and benefit-sharing**. For IFAD-supported projects that involve the utilization of genetic resources, IFAD will ensure that the collection of such resources is conducted sustainably and that benefits derived from their utilization are shared in a fair and equitable manner. IFAD will ensure that such projects are consistent with the CBD and its Nagoya Protocol.[29] Where genetic resources are collected from traditional or customary lands of indigenous peoples and historically underserved local communities, the provisions of Standard 4: Indigenous Peoples and Historically Underserved Local Communities will apply, including the requirement of FPIC[30] of the affected communities.

10. **Invasive alien species**. IFAD-supported projects will implement measures to avoid the introduction or utilization of invasive alien species, whether accidental or intentional, and support activities to mitigate and control their further spread. For the purpose of this Standard, invasive alien species are defined as non-native organisms whose population is increasing and spreading, and which causes, or may cause in the future, negative environmental, social or economic impacts.[31] Projects should avoid the intentional introduction of new alien species unless carried out according to existing regulatory frameworks; the introduction is subject to a risk assessment.

Use of biodiversity offsets. Biodiversity offsets[32] may be considered as a last resort only after appropriate avoidance, minimization and restoration measures have been applied. A biodiversity offset must be designed and implemented to achieve measurable conservation outcomes (demonstrated in situ and on an appropriate geographic scale) that can reasonably be expected to result in no net loss and preferably a net gain[33] of biodiversity. In the case of Critical Habitats (see paragraph 7

[29] CBD can be found at http://www.cbd.int/. The Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity can be found at http://www.cbd.int/abs/.

[30] For application of FPIC at IFAD, refer to the How-to-Do-Note on free, prior and informed consent in IFAD's investments (available at https://www.ifad.org/en/web/knowledge/publication/asset/39181253).

31 This definition builds off of international best practice, largely the Convention on Biological Diversity definition: "Invasive alien species are plants, animals, pathogens and other organisms that are non-native to an ecosystem, and which may cause economic or environmental harm or adversely affect human health. In particular, they impact adversely upon biodiversity, including decline or elimination of native species – through competition, predation or transmission of pathogens – and the disruption of local ecosystems and ecosystem functions" (available at https://www.cbd.int/idb/2009/about/what/).

32 Biodiversity offsets are measurable conservation outcomes resulting from actions designed to compensate for significant residual adverse biodiversity impacts arising from project development and persisting after appropriate avoidance, minimization and restoration measures have been taken.

[33] Net gains are additional conservation outcomes that can be achieved for the biodiversity values for which the Critical Habitat was designated.

of this Standard), biodiversity offsets are considered only in exceptional circumstances, and in such circumstances a net gain is required. The design of a biodiversity offset will adhere to the "like-for-like or better" principle[34] and be carried out with best available information and current best practices. External experts with knowledge in offset design and implementation will be involved.[35]

Use of experts. Where appropriate, the project development team will obtain the advice of experts to assess biodiversity and ecosystem services values – for example, cultural, aesthetic, spiritual, educational and recreational values.

Protected areas. In circumstances where project activities are located within a legally protected area[36] or an internationally recognized area,[37] IFAD will ensure that, in addition to the requirements specified in paragraph 7 of this Standard, the following requirements also apply:

- act in a manner consistent with any existing protected area management plans;
- consult protected area sponsors and managers, local communities and other key stakeholders on the proposed activities (consultation will be undertaken at the earliest possible stage within the framework of stakeholder feedback);
- implement additional activities, as appropriate, to promote and enhance the conservation aims and effective management of the area. Where restrictions of access to protected areas may have potential adverse impacts on livelihoods of local communities, the requirements of Standard 7 (Physical and Economic Resettlement) apply.

Primary suppliers. When purchasing natural resource commodities, procurement will be limited to suppliers that can demonstrate that they are not contributing to significant conversion or degradation of Natural or Critical Habitats. When feasible, the application of ecolabels and Environmental Product Descriptions[38] will be used and prioritized.

[34] The principle of "like-for-like or better" indicates that biodiversity offsets must be designed to conserve the same biodiversity values that are being impacted by the project.

[35] For additional guidance on biodiversity offsets, see the Business and Biodiversity Offset Programme Standard on Biodiversity Offsets (2012), available at http://bbop.forest-trends.org/pages/guidelines.

[36] This Standard recognizes legally protected areas that meet the International Union for the Conservation of Nature's definition: "A clearly defined geographical space, recognized, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values". Areas proposed by governments for such designation are included.

[37] Including UNESCO Natural World Heritage Sites and UNESCO Man and Biosphere Reserves, wetlands designated under the Convention on Wetlands of International Importance (the Ramsar Convention), indigenous protected areas or indigenous and community conserved areas.

[38] An Environmental Product Declaration is an independently verified and registered document that communicates transparent and comparable information about the life-cycle environmental impact of products. The relevant standard for Environmental Product Declarations is ISO 14025, where they are referred to as "type III environmental declarations" (Definition from: UNEP (2020), UNEP Environmental and Social Sustainability Framework ESSF, Nairobi, Kenya).

(w) Standard 2: Resource Efficiency and Pollution Prevention

Introduction

1. This Standard recognizes that economic activity and development can often generate pollution to air, water and land. They may also result in the consumption of finite resources, which may in turn threaten people, ecosystem services and the environment.
2. IFAD requires that key principles be applied, including a precautionary approach to addressing significant environmental and social challenges; the mitigation hierarchy; the "polluter pays" principle (whereby the cost of mitigation is borne by the polluter, where relevant); and adaptive management techniques (whereby lessons are learned from past management actions and are proactively applied to predict and improve management as programming progresses).
3. This Standard outlines a project-level approach to mitigating, minimizing and managing any risks and potential adverse impacts that may be related to resource use and pollution.[39]

Objectives

- Avoid, minimize and manage the risks and impacts associated with hazardous substances and materials, including pesticides.
- Avoid or minimize project-related emissions of short- and long-lived climate pollutants.[40]

Promote more sustainable use of resources, including energy, land and water.

- Identify, where feasible, project-related opportunities for improvements in resource efficiency.

Scope of Application

This Standard applies to any IFAD-supported projects that:

- significantly consume or cause consumption of water, energy or other resources;
- aim to improve existing waste management practices;
- generate or cause generation of solid, liquid or gaseous waste/emissions;
- use, cause use of, or manage the use, storage or disposal of hazardous materials and chemicals, including pesticides and fertilizers.

Requirements

4. **Resource efficiency**. The borrower/recipient/partner will implement technically and financially feasible measures for improving efficient consumption of energy, water and raw materials, as well as other resources. IFAD-supported projects will consider alternatives and implement technically and financially feasible options to reduce project-related greenhouse gas (GHG) emissions, including alternative locations, the use of renewable or low-carbon energy sources, and sustainable agriculture, forestry and livestock management practices. Where possible, the project will support farmers,

[39] This Standard is also based on guidelines and practices outlined in IFAD's Environment and Natural Resource Management Policy.

[40] This includes Black Carbon. Black Carbon has recently emerged as a major contributor to global climate change, possibly second only to carbon dioxide as the main driver of change. Black Carbon particles strongly absorb sunlight and give soot its black colour. It is produced naturally and by human activities as a result of the incomplete combustion of fossil fuels, biofuels and biomass. Primary sources include emissions from diesel engines, cook stoves, wood burning and forest fires (Centre for Climate and Energy Solutions, Factsheet on Black Carbon, April 2010).

livestock keepers and managers of processing facilities in adopting practices that recycle resources (e.g. biomass, water, nutrients, energy) in the farming systems and between different sectors (e.g. crop, livestock, aquaculture and processing).[41]

5. **Pollution prevention**. The assessment process will identify technically and financially feasible pollution prevention and control techniques that are best suited to avoid or minimize adverse impacts on human health and the environment. The techniques applied to the project will favour the prevention or avoidance of risks and impacts over minimization and reduction, in accordance with the mitigation hierarchy.
6. **Air pollution.** In addition to the requirements outlined in both paragraphs 5 and 6 of this Standard, the borrower/recipient/partner will consider alternatives and implement actions to avoid or minimize project-related air emissions during the design, construction and implementation of the project
7. **Historical pollution.** If project activities will generate significant emissions in previously polluted/degraded areas, the borrower/recipient/partner will adopt measures that avoid and minimize potential negative effects, including potential alternative siting.
8. **Hazardous materials.** IFAD-supported projects will avoid or minimize the potential for community exposure to hazardous materials and substances that maybe released by a project. Where there is potential for the public to be exposed to hazards, projects will exercise special care to avoid or minimize their exposure by modifying, substituting or eliminating the condition or material causing the potential hazards.

   IFAD-supported projects will not support the manufacture, trade or use of chemicals or hazardous substances subject to international bans, restrictions or phase-outs unless for acceptable purposes as defined by the relevant convention or protocol (e.g. Montreal Protocol, Minamata Convention, Basel Convention, Rotterdam Convention, Stockholm Convention).
9. **Sustainable management of living natural resources.** Any IFAD-supported project will ensure the sustainable management of living natural resources (e.g. forests, agriculture, fisheries, livestock) in accordance with Article 10 of the CBD.[42] In doing so, it will apply appropriate industry-specific best management practices and, where codified, credible certification and verification systems. IFAD will require the borrower/recipient/partner to adopt appropriate measures, where relevant, to promote animal welfare[43], control for potential invasiveness or escape of production species, and minimization of antimicrobial resistance. IFAD supports small-scale landholders to harvest and produce living natural resources in a sustainable manner.[44]
10. **Water usage**. IFAD is committed to assessing, avoiding, minimizing and mitigating the potential negative environmental and social impacts that may arise from the

[41] For example: manure from livestock may be used for crop farming; integration of nitrogen-fixing trees and crops to improve soil fertility in crop farming may be used for animal fodder; and composting of organic waste and nutrient rich treated wastewater from processing facilities may be used for crop farming.

[42] CBD Article 10: (a) Integrate consideration of the conservation and sustainable use of biological resources into national decision-making; (b) Adopt measures relating to the use of biological resources to avoid or minimize adverse impacts on biological diversity; (c) Protect and encourage customary use of biological resources in accordance with traditional cultural practices that are compatible with conservation or sustainable use requirements; (d) Support local populations to develop and implement remedial action in degraded areas where biological diversity has been reduced; and (e) Encourage cooperation between its governmental authorities and its private sector in developing methods for sustainable use of biological resources.

[43] Refer to the IFC Good Practice Note on Improving Animal Welfare in Livestock Operations.

[44] See Addis Ababa Principles and Guidelines for the Sustainable Use of Biodiversity, CBD Decision VII/12, Annex II.

implementation of water projects. IFAD-supported projects often support communities in improving their access to water resources for irrigation, livestock and domestic use. Depending on the water source, extraction of water for these purposes may affect water flows and hydrological dynamics in the landscape. Overuse of agrochemicals, aquaculture activities and wastewater from agroprocessing facilities may also be sources of pollution of water resources affecting downstream users and ecosystems. For such projects affecting water resources, IFAD will promote an integrated water resources management approach that seeks the coordinated development and management of water, land and related resources in order to maximize economic and social welfare in an equitable manner and without compromising the sustainability of ecosystems. IFAD commits to the following principles in developing water resources:

- Applying principles of integrated water resources management;
- Conserving catchment areas for irrigation systems, pounds and rainwater-harvesting structures;
- Investing in groundwater pumping only if risks of over-pumping can be adequately addressed, and supporting farmers in adopting systems for monitoring groundwater quality and quantity and for water-budgeting to avoid over-pumping;
- Promoting water-saving approaches and improving water use efficiencies in all sectors;
- Promoting the preservation of water quality in the communities where it operates, integrated pest management and integrated soil fertility management to minimize the use of agrochemicals and ensure that wastewater is properly treated before it is discarded;
- Improving energy and resource use efficiency in water management;
- Recognizing the importance of ecosystem services and respecting the natural water cycle, including adequate ecological flows; and
- Strengthening water governance through investments in policy, institutional and human development.

Projects should assess the cumulative impacts of water use and implement appropriate mitigation measures such as water demand management, efficiency measures, benchmarking usage, alternative supplies, resource contamination avoidance, mitigation of impacts on downstream users, and water use offsets. Projects will apply good international practice[45] for water conservation and management, including for irrigation activities and wastewater usage.

11. **Fisheries resources.** Overfishing and risks of collapsing fish stocks are challenges faced in many inland and coastal communities where small-scale fishers operate. Coastal ecosystems of particular importance for the reproduction of fisheries biomass, such as spawning grounds and habitats for juveniles, are also being degraded or destroyed. IFAD projects supporting small-scale capture fishing will identify risks of overfishing and destruction of coastal habitats, supporting communities and fisheries authorities in the sustainable management of fisheries resources and coastal ecosystems. This will include building capacities of small-scale fishers and fisheries management institutions for their participation in fisheries co-management and

[45] Such as the Convention on the Protection and Use of Transboundary Watercourses and International Lakes (1996). Can be found at: https://www.unece.org/env/water/text/text.html.

governance of rights to fishing grounds. These small-scale fisheries should be supported in adopting adequate and environmentally sustainable equipment and practices, including respecting closure periods and zones to avoid the capture of juveniles and reduce by-catch and discards. Attention should be given to an ecosystem approach to the management of fisheries resources, which includes healthy aquatic life, the water body and the immediate terrestrial environment and habitats. When relevant, the unintended catch of threatened species, such as sea turtles, should be avoided using excluder devices. Coastal ecosystems with specific importance for reproduction of fisheries resources should be protected. Effort should be made to reducing post-harvest losses through the use of green energy, such as solar fish preservation methods and equipment.

12. Generally an aquaculture (including mariculture) project will be subject to an ESIA if it is likely to have significant impact through physical, biochemical or other alterations in the existing aquatic and terrestrial environment. Where there are national regulations specifying the conditions that will trigger an ESIA for aquaculture projects, these will be adopted. However, where there are no regulations, the decision to conduct an ESIA, after the initial screening process, will be subject to the severity and likely impact based on the following criteria: (i) size and scale of project (large-scale/industrial aquaculture projects of at least 50 hectares on one site); (ii) sensitivity of project area (close to coral reef, mangrove swamps or wetlands); and (iii) production technology and water use (e.g. extensive and significant use of ground water, river diversion, irrigation and multiple-use waterbodies, e.g. for fish cage culture).
13. **Soil management**. IFAD-supported projects should avoid, and where avoidance is not possible, minimize adverse impacts on soils, their biodiversity, organic content, productivity, structure, and water-retention capacity. Projects should support farmers in adopting integrated soil and water management practices and practices that recycle biomass and nutrients to conserve and, when needed, recover soils and their biodiversity, organic content, productivity, structure, and water-retention capacity. Practices that cause land degradation, soil erosion, degradation of soil organic matter and soil nutrient mining should be avoided. When relevant, farmers should also be supported in managing soil salinity.
14. **Forest resources**. IFAD-supported projects in areas with threatened forest ecosystems should support communities and farmers in adopting practices for sustainable forest management, agroforestry on hillsides and other land with a forest vocation, efficient cook stoves and alternative energy sources to wood. Such practices will also have a positive impact on women's and children's respiratory health and time poverty (women are the most affected by smoke while cooking and they are often responsible for collecting the firewood). Any IFAD-supported project will ensure compliance with national and international laws, conventions and treaties, such as UNFCCC, and the United Nations Programme on Reducing Emissions from Deforestation and Forest Degradation, plus the sustainable management of forests and the conservation and enhancement of forest carbon stocks. IFAD-supported projects should avoid the construction of roads and other infrastructure in natural forests and other sensitive habitats. IFAD commits to strengthening forest governance through investments in policy, institutional and human development.

15. **Pesticide use and management.** IFAD promotes safe pesticide and fertilizer use by ensuring that the correct investments and capacity-building activities for the selection, distribution, storage, application and disposal of pesticides and fertilizers are included in all projects. Integrated Pest Management and Integrated Vector Management approaches are utilized that entail coordinated use of pest and environmental information along with available pest/vector control methods, including cultural practices, biological, genetic and, as a last resort, chemical means to prevent unacceptable levels of pest damage. Where recourse to pesticide use is deemed necessary, IFAD will ensure safe, effective and environmentally sound pest management in accordance with the World Health Organization (WHO)/Food and Agriculture Organization of the United Nations (FAO) International Code of Conduct on Pesticide Management[46] for the safe labelling, packaging, handling, storage, application and disposal of pesticides. Hazards of pesticide use will be carefully considered, and the least toxic pesticides will be selected that are known to be effective, have minimal effects on non-target species and the environment, and minimize risks associated with development of resistance in pests and vectors. A Pest Management Plan will be developed when use of a significant volume of pesticides is foreseen. IFAD-supported projects will not supply or use pesticides that contain active ingredients that are banned or restricted under applicable international treaties and agreements, or meet the criteria of carcinogenicity, mutagenicity or reproductive toxicity as set forth by relevant international agencies.[47] Users of any pesticides will be trained to handle pesticides in a proper and responsible manner and utilize appropriate application equipment and adequate personal protective equipment.

[46] FAO/WHO, The International Code of Conduct on Pesticide Management (2014).

[47] Including those that meet the criteria for Highly Hazardous Pesticides identified by WHO and FAO: (1) pesticide formulations that meet the criteria of classes Ia or Ib of the WHO Recommended Classification of Pesticides by Hazard; (2) pesticide active ingredients and their formulations that meet the criteria of carcinogenicity, mutagenicity, and reproductive toxicity Categories 1A and 1B of the Globally Harmonized System on Classification and Labelling of Chemicals (GHS); (3) pesticide active ingredients listed by the Stockholm Convention in its Annexes A and B, and those meeting all the criteria in paragraph 1 of annex D of the Convention; (4) pesticide active ingredients and formulations listed by the Rotterdam Convention in its Annex III; (5) pesticides listed under the Montreal Protocol; and (6) pesticide active ingredients and formulations that have shown a high incidence of severe or irreversible adverse effects on human health or the environment.

(x) Standard 3: Cultural Heritage

Introduction

1. This Standard recognizes that cultural heritage is central to individual and collective identity and memory, providing continuity between the past, present and future. Cultural heritage reflects and expresses people's constantly evolving values, beliefs, knowledge, traditions and practices. Cultural heritage also serves a crucial role within the sustainable development process through: enhancing social cohesion, diversity, well-being and the quality of life; supporting cultural rights by protecting the heritage of minority and indigenous peoples and historically underserved local communities; fostering socio-economic regeneration; enhancing the appeal and creativity of cities and regions; boosting long-term tourism benefits; and enhancing sustainable practices. Cultural heritage resources are often unique and irreplaceable, and may be particularly fragile due to neglect, exploitation, or even destruction given their symbolism[48].
2. This Standard is designed to preserve, protect and promote cultural heritage in IFAD-supported projects in a manner consistent with the United Nations Educational, Scientific and Cultural Organization (UNESCO) cultural heritage conventions[49] or any other national or international legal instruments that might have a bearing on the use of cultural heritage.
3. For the purposes of this Standard, Cultural Heritage is defined as encompassing both tangible Cultural Heritage (at times referred to as Physical Cultural Resources) as well as intangible Cultural Heritage.

Objectives

Preserve and safeguard Cultural Heritage.

Ensure that effective and active measures are taken to prevent IFAD-supported projects from altering, damaging, or removing any tangible or intangible Cultural Heritage.

Promote the equitable sharing of benefits from the use of Cultural Heritage.

Promote meaningful consultation on matters relating to Cultural Heritage.

Scope of Application

4. Tangible Cultural Heritage may be defined as movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, historical, religious, spiritual or other cultural significance. As such, tangible Cultural Heritage may be found almost anywhere: in urban or rural settings, above or below ground, or even under water. Tangible Cultural Heritage may derive its significance from various sources, whether as part of a community's cultural identity and heritage, as assets for economic or social development, or as sources of valuable scientific or historical information. As a result, the cultural significance may be local, provincial, national, or even international in nature.

[48] Definition from: UNEP (2020), UNEP Environmental and Social Sustainability Framework ESSF, Nairobi, Kenya).
[49] This includes the seven UNESCO Cultural Conventions, which are as follows: Protection and Promotion of the Diversity of Cultural Expressions (2005); Safeguarding of the Intangible Cultural Heritage (2003); Protection of the Underwater Cultural Heritage (2001); Protection of the World Cultural and Natural Heritage (1972); Protection of Copyright and Neighbouring Rights (1971); Fighting against the illicit trafficking of cultural property (1970); and Protection of Cultural Property in the Event of Armed Conflict (1954). All can be found at: http://www.unesco.org/new/en/culture/themes/culture-and-development/the-future-we-want-the-role-of-culture/the-unesco-cultural-conventions.

5. Intangible Cultural Heritage may be defined as including practices, representations, expressions, knowledge, skills – as well as the instruments, objects, artefacts and cultural spaces associated therewith – that communities and groups recognize as part of their cultural heritage, as transmitted from generation to generation and constantly recreated by them in response to their environment, their interaction with nature and their history.[50]

6. The Standard applies to projects that may result in adverse risks and impacts on Cultural Heritage, including those that may be located in, or in the vicinity of, a Cultural Heritage site,[51] or that propose to utilize tangible or intangible forms of Cultural Heritage for commercial or other purposes.

7. IFAD is committed to identifying and protecting Cultural Heritage that borrower/ Recipient/Partner could impact. Even smallholder agriculture and rural development projects on marginal lands may, depending on location, involve resources of archaeological (e.g. ancient ruins, monuments, prehistoric caves), historical (e.g. original structures, architectural works, historic sites), religious (e.g. churches, mosques, temples, sacred grounds) or cultural (e.g. cemeteries, traditional meeting places) significance. Of particular concern are IFAD projects: (i) involving significant excavations, demolition, movement of earth, flooding or other environmental changes; and (ii) located in, or in the vicinity of, a Cultural Heritage site. For this reason, IFAD will use its SECAP to ensure that any Cultural Heritage site involved in or potentially affected by an IFAD-supported project is properly identified and adequately protected.

Requirements

8. **Screening and assessment.** The borrower/recipient/partner will address Cultural Heritage in projects supported by IFAD in the context of the environmental and social assessment process established by IFAD's SECAP. SECAP prescribes general steps for projects that apply in cases involving Cultural Heritage. These include: screening; collecting data; assessing impacts; and formulating mitigating measures.

    - As a **first step**, the borrower/recipient/partner will screen, using qualified personnel and with full and effective participation of local people, the project area in order to identify and collect data on any Cultural Heritage likely to be affected by the operation and then will assess the potential impacts on these resources as part of SECAP. If the project is likely to have adverse impacts on Cultural Heritage, the borrower/recipient/partner will identify appropriate measures for avoiding, minimizing or mitigating these impacts.
    - As a **second step**, when there is potential for the project to affect Cultural Heritage, the borrower/recipient/partner will develop a concise cultural heritage-related management plan (which may be a component of the overall environmental and social management plan for the project). Such plans will ensure compliance with the country's overall policy framework, national legislation and international standards for protecting Cultural Heritage, and will outline the institutional capabilities for its protection. Plans should include:

50 Definition from the UNESCO 2003 Convention for the Safeguarding of Intangible Cultural Heritage. Adopted on 17 October 2003. https://ich.unesco.org/en/convention

51 Examples may include legally protected areas and UNESCO World Heritage Sites.

i. measures for avoiding, minimizing or mitigating any adverse impacts on Cultural Heritage;

ii. provisions for managing "chance finds" of Cultural Heritage during implementation (see paragraph 13 of this Standard);

iii. necessary measures for strengthening institutional capacity with respect to the protection of Cultural Heritage; and

iv. a monitoring system to track the progress of these activities.

9. **Commercial use of cultural heritage.** Where a project proposes to use Cultural Heritage, including knowledge, innovations or practices of local communities for the benefit of the project or for commercial purposes, communities should be informed of their rights under national law, the scope and nature of the proposed use, and the potential consequences. FPIC of the local communities should be sought, and there should be arrangements in the project for fair and equitable sharing of the benefits.

10. **Meaningful consultation leading to consent**. As part of the public consultation provisions included in SECAP, the consultative process for the Cultural Heritage component will normally include project-affected groups, key users, custodians, local communities, relevant government authorities, and interested NGOs. These groups will assist the borrower/recipient/ partner and IFAD's PDT in documenting the presence and significance of Cultural Heritage, assessing potential impacts, and exploring avoidance and mitigation options through a consultation process leading to consent.

11. **Confidentiality and restricted access by communities**. Together with stakeholders, the borrower/recipient/partner will determine whether disclosure of information regarding Cultural Heritage would compromise or jeopardize its safety or integrity or endanger sources of information. In such cases, sensitive information may be withheld from public disclosure.

12. **Chance finds**. Chance finds will not be disturbed until an assessment by qualified experts is made. Where national procedures do not exist, appropriate procedures will be developed in line with the assessment by qualified experts.

13. **Continued access**. Where a project introduces restrictions to stakeholder access to Cultural Heritage, continued access will be arranged in consultation with stakeholders, where feasible, subject to overriding safety and security considerations.

14. **Legally protected Cultural Heritage areas**. If the proposed project is to be located within a legally protected area or a legally defined buffer zone, the borrower/recipient/ partner will:

- comply with local, national, regional or international Cultural Heritage regulations and existing protected area management plans;
- consult the protected area sponsors and managers, project-affected parties (including individuals and communities) and other interested parties on the proposed project (consultation should be undertaken at the earliest possible stage within the framework of stakeholder feedback);
- implement additional programmes, as appropriate, to promote and enhance the conservation aims of the protected area;
- support the inclusion and cooperation of the various stakeholders through a dialogue with the appropriate authorities, including the relevant national or local

regulatory authorities entrusted with the protection of Cultural Heritage, to establish the most effective means for addressing the views and concerns of the stakeholders and involving them in the protection and management of the Cultural Heritage; and

- consider the significance of the Cultural Heritage according to the value systems and interests of project-affected parties (including individuals and communities) and other interested parties who are concerned with the protection and appropriate use of the Cultural Heritage.

(y) Standard 4: Indigenous Peoples and Historically Underserved Local Communities

Introduction

1. IFAD's comparative advantage in working with indigenous peoples and historically underserved local communities lies in its core mission to empower poor rural people, of whom indigenous peoples are often among the poorest. It also lies in its targeting and people-centred approach, which takes into account the differentiated and context-specific conditions of poor rural people, as well as the Fund's particular ability to reach marginalized and vulnerable people.
2. In its engagement with indigenous peoples and historically underserved local communities, IFAD is guided by the nine fundamental principles presented in the Policy on Engagement with Indigenous Peoples:[52]

   (i) acknowledging Cultural Heritage and identity as assets;

   (ii) applying free, prior and informed consent;

   (iii) enhancing community-driven development;

   (iv) promoting equitable access to land, territories and resources;

   (v) valuing indigenous peoples' knowledge;

   (vi) enhancing the resilience of indigenous peoples' ecosystems (environmental issues and climate change);

   (vii) promoting access to markets;

   (viii) supporting empowerment; and

   (ix) promoting gender equality.
3. In working with Member States on projects targeting or affecting indigenous peoples or historically underserved local communities, IFAD will support the participation of indigenous peoples' and historically underserved local communities in determining priorities and strategies for their own development. When appraising such projects proposed by Member States, in particular those that may affect the land, territories and resources of indigenous peoples and historically underserved local communities, the Fund will examine whether the borrower/ recipient/partner has consulted with the indigenous peoples and historically underserved local communities to seek their FPIC. The Fund will consider this consultation and consent process as a criterion for project approval. Should FPIC not be possible at the design stage, the FPIC implementation plan will be developed to guide the FPIC process during project implementation. In appraising such projects, the Fund will verify whether they include measures to: (a) avoid potentially adverse effects on the indigenous peoples' and historically underserved local communities; or (b) when avoidance is not feasible, minimize, mitigate or compensate for such effects.

Objectives

[52] IFAD, Policy on Engagement with Indigenous Peoples (2009), available at: https://www.ifad.org/en/document-detail/asset/39432502.

Promote indigenous peoples and historically underserved local communities to determine and develop priorities and strategies for exercising their right to development. Ensure that programming is designed in partnership with indigenous peoples and historically underserved local communities, with their full, effective and meaningful consultation and participation, with the objective of seeking their FPIC.

Ensure that indigenous peoples and historically underserved local communities obtain fair and equitable benefits and opportunities from supported activities in a culturally appropriate and inclusive manner.

Recognize and respect the rights of indigenous peoples and historically underserved local communities to their lands, territories, waters and coastal seas and other resources that they have traditionally owned or otherwise occupied and used.

Scope of Application

4. Consistent with international practice[53] and in the respect of the right of self-determination, IFAD's Policy includes a working definition of indigenous peoples based on the following criteria:[54]

   - priority in time, with respect to occupation and use of a specific territory;
   - the voluntary perpetuation of cultural distinctiveness, which may include aspects of language, social organization, religion and spiritual values, modes of production, laws and institutions;
   - self-identification, as well as recognition by other groups, or by state authorities, as a distinct collectivity; and
   - an experience of subjugation, marginalization, dispossession, exclusion or discrimination.

5. Social and cultural distinct groups identified according to the above criteria, might not in all countries be referred to as indigenous peoples. Other terms such as 'historically underserved local communities', '(indigenous) ethnic minorities', 'tribal groups', 'hill tribes', 'aboriginals', 'vulnerable and marginalized groups', 'scheduled tribes', 'first nations', or 'minority nationalities' may also be used[55]. This Standard will use the term 'indigenous peoples and historically underserved local communities', recognizing the different terminology that might be used to refer to indigenous peoples in the national context.

6. This Standard applies to all projects that may affect the human rights, lands, natural resources, territories, cultural heritage and/or traditional livelihoods of indigenous peoples and historically underserved local communities regardless of whether: (i) the project is located within or outside of the lands and territories inhabited by the indigenous peoples and historically underserved local communities in question; (ii) a title is possessed by the affected indigenous peoples and historically underserved local communities over the lands and territories in question; or (iii) the indigenous peoples and historically underserved local communities are recognized as indigenous peoples and historically underserved local by the country in question.

53 United Nations Development Group Guidelines on Indigenous Peoples' Issues (2008), United Nations Declaration on the Rights of Indigenous Peoples (2007), International Labour Organization Convention 169 on Indigenous and Tribal Peoples (1989), United Nations Permanent Forum on Indigenous Issues (under the Economic and Social Affairs Department), Inter-Agency Support Group on Indigenous Issues, and United Nations Second International Decade of the World's Indigenous Peoples plan of action (see annex I).

54 Working paper on the concept of "indigenous people" of the Working Group on Indigenous Populations (Commission on Human Rights) (E/CN.4/Sub.2/AC.4/1996/2).

55 From: World Bank (2017), Environmental and Social Framework, Washington D.C., United States

Requirements

7. **Meaningful consultations and FPIC.** IFAD-supported projects will ensure that meaningful consultation and full and effective participation of indigenous peoples and historically underserved local communities are undertaken for all (investment) projects that may affect or involve indigenous peoples and that FPIC is applied in projects that:

    (i) may have an impact on the land access and use rights of rural communities; and
    (ii) target indigenous peoples and historically underserved local communities or rural areas that are home to indigenous peoples and historically underserved local communities.

    Engagement processes with indigenous peoples and historically underserved local communities will be undertaken in good faith, in a culturally appropriate manner, with due regard to indigenous peoples and historically underserved local communities' institutions, governance systems, customs, and traditional methods of decision-making, and will seek the FPIC of indigenous peoples and historically underserved local communities affected by the project.

    The borrower/recipient/partner is responsible for seeking FPIC[56] as part of the engagement process with indigenous peoples and historically underserved local communities. FPIC applies to local communities and indigenous peoples and historically underserved local communities, and should be sought sufficiently before the commencement or authorization of project-related activities, taking into account indigenous peoples and historically underserved local communities' own governance systems and decision-making processes; FPIC should continue to be sought in phases of assessment, planning, implementation, monitoring, evaluation and closure of a project.[57]

    Based on different scenarios, typology of projects and areas of interventions, FPIC needs to be solicited either before project approval (design phase) or during the implementation phase, depending on the nature of the project and at what stage of the project cycle target communities are identified, together with specific investment and activities to be undertaken in each community.[58]

    Whenever it is not possible to seek FPIC during project design, an FPIC implementation plan should be prepared specifying how FPIC will be sought during early implementation and before any investment is made. The FPIC plan and related documents, including documented outcomes, must be disclosed in a timely and accessible manner at the relevant stages during implementation.

8. Indigenous peoples plan/indigenous peoples planning framework/FPIC implementation plan. If a project is likely to have an impact on land access and use rights of rural communities or affect indigenous peoples and historically underserved local communities, the borrower/recipient/partner must: seek FPIC (as outlined in paragraph 6 of this Standard) in consultation with the concerned communities; document the

56 IFAD How-to-Do-Note. Seeking Free, Prior and Informed Consent in IFAD investment Projects (2015), available at https://www.ifad.org/documents/38714170/40197975/htdn_fpic.pdf/7601fe69-3ada-4b9d-a30d-95ae4c98216b.

57 United Nations Development Group Guidelines (excerpt from the Report of the International Workshop on Methodologies Regarding Free, Prior and Informed Consent E/C.19/2005/3, endorsed by United Nations Permanent Forum on Indigenous Issues at its fourth session in 2005).

58 As outlined in the IFAD How-to-Do Note on Seeking Free Prior Informed Consent.

stakeholder engagement and consultation process; and prepare an IPP, which will include the requirements of the FPIC implementation plan. When an IPP is necessary, it must include: a sociocultural and land tenure assessment; the specific characteristics of each indigenous peoples and historically underserved local community; the strategy for working with indigenous peoples and historically underserved local communities; and the FPIC process. Where specific project activities or locations have not yet been determined, an Indigenous Peoples Planning Framework will be developed. The scope and scale of the plan or framework will be proportionate to the potential risks and impacts of the project.

The IPP should be integrated into the design and implementation of the project. The IPP will identify potential risks and impacts and will outline risk avoidance and mitigation measures. It will also specify measures for: provision of culturally appropriate benefits; continued consultation and participation processes; grievance procedures; monitoring and evaluation procedures; and a budget and financial plan for implementing agreed measures. Where screening indicates that indigenous peoples and historically underserved local communities are likely to be present in project areas but the specific project activities, subprojects and/or locations have not been fully defined, the borrower/recipient/partner will prepare an Indigenous Peoples Planning Framework.

9. **Culturally appropriate benefits.** IFAD-funded projects will ensure that affected indigenous peoples and historically underserved local communities are able to derive benefits from programming activities in a culturally appropriate and inclusive manner, giving full consideration to options preferred by the indigenous peoples and historically underserved local communities concerned. The provision of benefits is to take into account the institutions, rules and customs of affected indigenous peoples and historically underserved local communities and may occur on a collective basis with mechanisms for effective distribution of benefits to all members of affected groups, as far as practical.[59] Indigenous peoples and historically underserved local communities affected by project activities are to share equitably in benefits derived from any commercial development of indigenous peoples and historically underserved local communities' lands, territories or resources or from the use or development of indigenous peoples and historically underserved local communities' cultural heritage.

10. **Land tenure.** Where appropriate, IFAD will ensure that provisions are made in project design and implementation to support activities that support the establishment of legal recognition of customary or traditional land tenure and management systems and collective rights used by project-affected indigenous peoples and historically underserved local communities.

11. **Involuntary resettlement**. No IFAD-supported project will result in the involuntary resettlement of indigenous peoples and historically underserved local communities from their lands and/or territories.

12. **Voluntary isolation**. No IFAD-supported project will result in adverse impacts (including undesired contact) with indigenous peoples and historically underserved local communities living in voluntary isolation or initial contact.[60] For projects that may

59 IFAD recognizes that benefits can take many forms and may not be exclusively financial in nature.

60 For full definition, see: http://www.oas.org/en/iachr/indigenous/docs/pdf/Report-Indigenous-Peoples-Voluntary-Isolation.pdf.

affect indigenous peoples and historically underserved local communities living in voluntary isolation or in initial contact, measures will be required to ensure that the project does not result in any adverse impacts on their environment, health, cultural heritage, lands or territories.

13. **Cultural heritage.** If a project is likely to significantly affect cultural heritage that is material to the identity and/or cultural, ceremonial or spiritual aspects of indigenous peoples and historically underserved local communities, priority will be given to avoiding such impacts. Where significant impacts are unavoidable, the borrower/recipient/partner will seek the FPIC of affected indigenous peoples and historically underserved local communities and meet the requirements of Standard 3.

14. **Information disclosure.** The PDT will disclose documentation of the consultation process undertaken during project preparation, the FPIC Implementation Plan, and the IPP/Indigenous Peoples Planning Framework. Disclosure of required information will take place in a timely manner, in a place accessible to key indigenous stakeholders, and in a form and language understandable to them.

15. **Grievance redress mechanism**. As outlined in section 4.2.8, the borrower/recipient/ partner will ensure that a grievance mechanism is established for the project which is culturally appropriate,[61] available in local languages, and easily accessible to affected indigenous peoples and historically underserved local communities.

[61] This will take into account the availability of customary dispute settlement mechanisms among indigenous peoples.

(z) Standard 5: Labour and Working Conditions

Introduction

1. IFAD seeks to foster inclusive, diversified and productive rural economies that create opportunities for decent work and higher incomes. IFAD invests in rural people to enhance their productive capacities and increase their benefits from market participation. IFAD supports the development of value chains, inclusive financial services, and rural enterprises.

2. The pursuit of inclusive and sustainable economic growth, full and productive employment and decent work for all requires the protection of project workers'[62] fundamental rights, their fair treatment, and the provision of safe and healthy working conditions. The following requirements reflect IFAD's commitments and have been guided by a number of international conventions and instruments, including those of the International Labour Organization (ILO) and the United Nations.[63]

Objectives

- Promote direct action to foster decent rural employment.
- Promote, respect and realize fundamental principles and rights at work[64] through:
  - Preventing discrimination and promoting equal opportunity of workers;
  - Supporting freedom of association and the effective recognition of the right to collective bargaining;
  - Preventing the use of child labour and forced labour.
- Protect and promote the safety and health of workers.
- Ensure that projects comply with national employment and labour laws and international commitments.
- Leave no one behind by protecting and supporting workers in disadvantaged and vulnerable situations, including a special focus, as appropriate, on women workers, young workers, migrant workers, workers in the informal economy and workers with disabilities.

Scope of Application

[62] The term "project workers" refers to: (i) people employed or engaged directly by the Borrower/Recipient/ Partner (including the project proponent and the project implementing agencies) to work specifically in relation to the project; (ii) people employed or engaged through third parties such as contractors, subcontractors, brokers, agents or intermediaries, to perform production and/or service processes essential for a specific project activity without which the project cannot continue, regardless of location; (iii) people employed or engaged by the Borrower/recipient/partner's primary suppliers; and (iv) people employed or engaged in providing community labour. Project workers include full-time, part-time, temporary, seasonal and migrant workers.

[63] These conventions (see link) include, among others: *ILO Convention 87 on Freedom of Association and Protection of the Right to Organize; ILO Convention 98 on the Right to Organize and Collective Bargaining; ILO Convention 29 on Forced Labour and Protocol of 2014; ILO Convention 105 on the Abolition of Forced Labour; ILO Convention 138 on Minimum Age (of Employment); ILO Convention 182 on the Worst Forms of Child Labour; ILO Convention 100 on Equal Remuneration; ILO Convention 111 on Discrimination (Employment and Occupation); ILO Convention 155 on Occupational Safety and Health; ILO Convention 161 on Occupational Health Services; UN Convention on the Rights of the Child, Article 32; and UN Convention on the Protection of the Rights of all Migrant Workers and Members of their Families.*

[64] ILO Declaration on Fundamental Principles and Rights at Work (1998).

3. The following requirements are to be applied in a proportional manner based on the nature of the project, its specific activities, the project's associated social and environmental risks and impacts, and the type of contractual relationships with workers engaged in relation to the project.
4. The requirements apply to all project workers directly engaged by the borrower/recipient/partner to work on a project site or to perform work essential to the project and to people employed or engaged through third parties (e.g. contractors, subcontractors, brokers, agents) to perform work essential to the project.[65] Where the project engages community workers, relevant provisions of the requirements will be applied in a proportionate manner, as noted in paragraph 4. Paragraphs 22 and 23 apply to primary supplier workers. The requirements apply to full-time, part-time, temporary, seasonal and migrant workers.
5. Where government civil servants are working in connection with the project, they will remain subject to the terms and conditions of their existing public sector employment arrangements.

Requirements

6. **Employment promotion.** As part of project design, IFAD should seek to promote the following:
    - creation of sustainable employment and improved opportunities, especially for disadvantaged and vulnerable workers;
    - optimization of the potential of agricultural and value chain development, including natural resource management, to create more and better employment opportunities for the poor, especially in rural areas;
    - due consideration to the importance of using technologies, practices and models that generate more and better employment opportunities, both directly and indirectly;
    - for projects involving sub-contracting, the sub-contracting to local entrepreneurs (to the extent possible) – particularly to rural women and youth – to maximize employment creation;
    - optimization of the employment effects of projects' activities on rural youth and women in particular, and direct efforts to engage and empower them, with specific targets for youth and women established in all projects;
    - explicit consideration of employment-related capacities for projects involving capacity development and support to the enabling environment (e.g. policy and regulatory frameworks) for agricultural and rural development;
    - transition workers and enterprises from informal to formal economy and prevention of further informalization of formal sector employment; and
    - systematic ex-ante assessments of potential impacts of projects with a high risk of sectoral restructuring (e.g. shifts to intensive production technologies that carry a significant risk of destroying existing jobs and/or threatening existing livelihoods) and defined corresponding mitigation strategies.
7. **Terms and conditions of employment.** Ensure that applicable written labour management procedures are in place which set out the conditions in which workers will

[65] The requirements apply to those workers who perform work related to the core functions of the project regardless of location. "Core functions" of a project constitute those production and/or service processes essential for a specific activity without which the project cannot continue.

be employed or engaged and managed, in accordance with the standards herein and national law. [66] Workers are provided with clear and understandable documentation of employment terms and conditions, including their rights under national law related to hours of work, wages, overtime, compensation and benefits, and those arising from this Standard.[67]

8. Workers engaged by the project are provided regular and timely payment of wages; adequate periods of rest, holiday, sick, maternity, paternity, and family leave; and written notice of termination and severance payments, as required under national laws and the labour management procedures.
9. **Non-discrimination and equal opportunity.** Decisions relating to any aspect of the employment relationship, including recruitment, hiring and treatment of workers and retrenchment, are made based on the principles of non-discrimination, equal opportunity and fair treatment, and not on the basis of personal characteristics unrelated to inherent job requirements.
10. Appropriate measures are in place to prevent harassment, intimidation, and exploitation, and to protect disadvantaged and vulnerable workers, including but not limited to women, children of working age, migrants and persons with disabilities.[68]
11. **Workers organizations.** Promote freedom of association and the right to collective bargaining, and denounce any violation of it. Promotion here refers to the active support of opportunities for rural workers to join groups, producers' associations or rural workers' organizations. In particular, producers' organizations, contract farming groups, out-growers' associations and other informal groups represent important vehicles to enable rural workers to form representative organizations. Consider opportunities for empowering rural youth and women and other disadvantaged workers to join such organizations or organize in specific groups.
12. Workers who participate, or seek to participate, in workers' organizations and collective bargaining, do so without interference, are not discriminated or retaliated against, and are provided with information needed for meaningful negotiation in a timely manner.
13. Where national law restricts workers' organizations, the responsible party will not restrict the relevant workers from developing alternative mechanisms to express their grievances and protect their rights regarding working conditions and terms of employment.
14. **Forced labour.** Forced labour, which consists of any work or service not voluntarily[69] performed that is exacted from an individual under threat of force or penalty, will not be

[66] The requirements, whether herein or in national law, that are the most protective of workers will apply unless the application of requirements herein would violate national law. For project workers who are employed or engaged by the United Nations and its specialized agencies, conditions of employment are governed by the respective entity's internal rules, in accordance with the relevant provisions of the Convention on the Privileges and Immunities of the United Nations, 1946.

[67] The policies and processes will be appropriate to the size, locations and workforce of project activities.

[68] IFAD Policy to preventing and responding to sexual harassment, sexual exploitation and abuse.

[69] Work is on a voluntary basis when it is done with the free and informed consent of a worker. Such consent must exist throughout the employment relationship and the worker must have the possibility to revoke freely given consent. In particular, there can be no "voluntary offer" under threat or other circumstances of restriction or deceit. To assess the authenticity of a free and informed consent, it is necessary to ensure that no external constraint or indirect coercion has been carried out, either by an act of the authorities or by an employer's practice (Definition from: UNEP (2020), UNEP Environmental and Social Sustainability Framework ESSF, Nairobi, Kenya).

used in connection with Project.[70] This prohibition covers any kind of involuntary or compulsory labour, such as indentured labour, bonded labour, or similar labour-contracting arrangements. No trafficked persons will be employed in connection with the project activities.[71] Where cases of forced labour are identified, immediate steps will be taken to correct and remedy them.

15. **Child labour.** IFAD is a founding partner of the International Partnership for Cooperation on Child Labour in Agriculture (IPCCA).[72] Child labour will not be used in connection with an IFAD-supported project. Child labour includes: (i) labour below the minimum age of employment and (ii) any other work that may be hazardous, may interfere with the child's education, or may be harmful to the child's health or to the child's physical, mental, spiritual, moral, or social development.
16. A minimum age for employment will be specified in connection with the project activities, as determined by national law and consistent with the ILO Convention No. 138.[73] Regardless of the minimum age for employment, a child under the age of 18 may not perform work in connection with or arising from the project activities which, by its nature or the circumstances in which it is carried out, is likely to harm his/her health, safety or morals. Such work is determined by national laws or regulations or by the competent authority and commonly specified in national lists of hazardous work prohibited to children.[74]
17. Where cases of child labour are identified, immediate steps will be taken to correct and remedy them, including the rehabilitation and social integration of the child where necessary and appropriate. When operating in a sector or area with a high risk of child labour, the project should include measures that contribute to addressing the root causes of child labour.
18. **Occupational safety and health (OSH).** Occupational safety and health measures are applied to establish and maintain a safe and healthy working environment, including the prevention and protection of workers from chemical, physical, biological and psychosocial hazards (including violence and harassment). Parties who employ or engage workers in association with the project are to put in place measures that are designed and implemented to address:

    (i) Identification of potential hazards to workers, particularly those that may be life threatening;

[70] See the Forced Labour Convention, 1930 (No.29), as well as the Protocol of 2014 to the Forced Labour Convention.

[71] Trafficking in persons is defined as the recruitment, transportation, transfer, harbouring or receipt of persons by means of the threat or use of force or other forms of coercion, abduction, fraud, deception, abuse of power, or of a position of vulnerability, or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purposes of exploitation. Women and children are particularly vulnerable to trafficking practices (Definition from: UNEP (2020), UNEP Environmental and Social Sustainability Framework ESSF, Nairobi, Kenya).

[72] See The International Partnership for Cooperation on Child Labour in Agriculture.

[73] To be consistent with the ILO Minimum Age Convention, 1973 (No. 138), the applicable minimum age will not be less than the age of completion of compulsory schooling and, in principle, not less than 15 years.

[74] In the absence of such regulations, guidance on hazardous work to be prohibited in connection with projects should derive from the relevant ILO instruments. See ILO Worst Forms of Child Labour Convention, 1999 (No. 182) and ILO Worst Forms of Child Labour Recommendation, 1999 (No. 190). Examples of hazardous work activities prohibited for children include work: (a) with exposure to physical, psychological or sexual abuse; (b) underground, underwater, working at heights or in confined spaces; (c) with dangerous machinery, equipment or tools, or involving handling or transport of heavy loads; (d) in unhealthy environments exposing children to hazardous substances, agents, or processes, or to temperatures, noise or vibration damaging to health; or (e) under particularly difficult conditions such as work for long hours, during the night or in unreasonable confinement on the premises of the employer.

(ii) Identification, prevention and appropriate response to gender-based violence and harassments risks in the workplace;
(iii) Provision of preventive and protective measures, implemented in the following order of priority: elimination or substitution, engineering and organizational controls, administrative controls, and where residual hazards and risks cannot be controlled through these collective measures, provision of personal protective equipment at no cost to the worker, and providing medical surveillance to workers;
(iv) Safety and health training, including on the proper use and maintenance of machinery and personal protective equipment, at no cost to workers, and maintenance of training records;
(v) Documentation and reporting of occupational accidents, diseases and incidents;
(vi) Emergency prevention and preparedness and response arrangements to emergency situations; and
(vii) Remedies for adverse impacts such as occupational injuries, deaths, disability and disease.

19. **Workplace grievance mechanism.** Workers are informed of applicable grievance and conflict resolution systems or mechanisms provided at the workplace level. Such mechanisms will be designed to address workers' concerns promptly, using an understandable, transparent process that provides timely feedback to those concerned in a language they understand, without any retribution, and will operate in an independent and objective manner.
20. Workers may use these mechanisms without retribution, and the grievance and conflict resolution system does not impede access to other judicial or administrative remedies available under the national law or through existing arbitration procedures, or substitute for grievance systems provided through collective agreements.
21. **Contractor/Third Party Workers.** Seek to ensure that third parties who engage workers in association with the project are legitimate and reliable entities and have in place appropriate policies, processes and systems that allow them to operate in accordance with the requirements of this Standard. Procedures are established for managing and monitoring the performance of such third parties in relation to the requirements of this Standard, including incorporation of the requirements into contractual agreements with such third parties, together with appropriate noncompliance remedies. In the case of subcontracting, third parties are required to include equivalent requirements and remedies in their contractual agreements with subcontractors.
22. **Primary Supplier Workers.** Identify potential risks of violations of primary supplier[75] workers' fundamental rights and safety and health issues and establish roles and responsibilities for monitoring primary suppliers. If child labour, forced labour, unsafe working conditions, or breaches of other fundamental rights are identified, the responsible party will require the primary supplier to take appropriate steps to remedy them.
23. The ability to address these risks will depend upon the responsible party's level of control or influence over its primary suppliers. Where prevention and remedy are not possible, shift the project's primary suppliers to suppliers that can demonstrate that they are

[75] "Primary suppliers" are those suppliers who, on an ongoing basis, provide directly to the project goods or materials essential for the core functions of the project (Definition from: World Bank (2017), Environmental and Social Framework, Washington D.C., United States).

meeting the relevant requirements herein. Where there is imminent danger of serious injury, ill health or death to workers, the responsible party will exercise its control or influence to stop the operation concerned until such time as the primary supplier can demonstrate that it can control the hazard in a manner consistent with the requirements of this Standard.

(aa) Standard 6: Community Health and Safety

Introduction

1. Given IFAD's mandate and the sectors in which its interventions take place, Community Health,[76] and Safety are crucial elements for consideration. In many countries, the agriculture sector has undergone immense change over the past three decades owing to an improved understanding of the health and safety risks associated with agriculture, as well as the use of improved technology and personal protective equipment. However, there are still many areas of the world, particularly low- to middle-income countries, where there is a lack of knowledge about how farmers are affected by their exposure to the variety of health risks that they are confronted with every day. Even in more developed countries, the strides made in improving health and safety in the workplace and the implementation of the ILO policies and procedures have not necessarily found their way into the agriculture sector.
2. This Standard addresses the need to avoid, and where avoidance is not possible, to minimize and mitigate the health- and safety-related risks and impacts that may arise from programming activities, with particular attention given to marginalized or disadvantaged groups.

Objectives

Ensure quality and safety in the design and construction of programming-related infrastructure, preventing and minimizing potential safety risks and accidents.

Avoid or minimize community exposure to disaster risks, diseases and hazardous materials associated with project activities.

Ensure that the safeguarding of personnel and property minimizes risks to communities and is carried out in accordance with international human rights standards and principles.

Have in place effective measures to address emergency events, whether human-made or natural hazards.

Scope of Application

3. Requirements of this Standard apply to projects that may pose significant risks to human health, nutrition and safety. The applicability of this Standard will be identified during the environmental, social and climate risk screening/assessment phase as outlined in Section 4. Measures to ensure occupational health and safety issues are addressed in Standard 5: Labour and Working Conditions. Further requirements to avoid or minimize impacts on human health and the environment due to pollution are included in Standard 2: Resource Efficiency and Pollution Prevention.

Requirements

4. **Health and safety risk management.** IFAD requires the borrower/recipient/partner to evaluate the risks and impacts of a given project on the health and safety of the affected communities during the project life cycle, including those who, because of their particular

[76] See Annex 1 Glossary for definition.

circumstances, may be vulnerable. The borrower/recipient/partner will propose mitigation measures in accordance with the mitigation hierarchy.

5. **Community exposure**. IFAD will ensure that projects avoid or minimize the potential for community exposure to health risks (e.g. pollution, contaminated areas/resources) and diseases that could result from or be exacerbated by programming activities, including water-related[77] and vector-borne diseases, and communicable and non-communicable diseases, injuries, nutritional disorders, mental health and well-being that could result from project activities, taking into consideration the differentiated exposure to and higher sensitivity of marginalized groups, including communities living in voluntary isolation.
6. **Nutrition.** In order to ensure that IFAD-supported projects abide by the principle of "do no harm to nutrition",[78] IFAD will require the borrower/recipient/partner, where appropriate, to undergo systematic process in the planning phase to identify potential unintended negative impacts on nutrition based on the context within which the project is operating, and develop a mitigation plan.
7. **Infrastructure design and safety**: The borrower/recipient/partner will design, construct, operate and decommission the structural elements of the project in accordance with national legal requirements, and the Environmental Health and Safety guidelines,[79] taking into consideration safety risks to third parties and affected communities (with particular attention being paid to the potential impacts/risks to disadvantaged and vulnerable groups). Structural elements of a project will be designed and constructed by competent professionals, and certified or approved by competent authorities.
8. Structural design will take into account climate change considerations, as appropriate. Where the project includes new buildings and structures that will be accessed by members of the public, the borrower/recipient/partner will consider the incremental risks of the public's potential exposure to operational accidents or natural hazards, including extreme weather events.
9. When structural elements or components of a project are situated in High Risk locations, including those with risk of extreme weather or slow onset events, and their failure or malfunction may threaten the safety of communities, the borrower/recipient/partner will engage one or more independent experts with relevant and recognized experience in similar projects, separate from those responsible for the design and construction, to conduct a review as early as possible in project development and throughout the stages of project design, construction, operation and decommissioning. Where the project involves a new or existing dam, the borrower/recipient/partner will provide sufficient resources to apply the requirements on safety of dams, as per the requirements that are established in paragraph 10 of this Standard.
10. **Dams**. Since there can be major consequences if a dam malfunctions or fails – including loss of life or injury, property losses, environmental damage, and diseases such as malaria – IFAD places the utmost importance on the safety of new dams that it finances, as well as on the safety of existing dams upon which an IFAD -supported project is directly dependent. IFAD will require the Financing Agreement negotiated with the

77 See for example the UNECE/WHO Protocol on Water and Health.

78 See https://www.coordinationsud.org/wp-content/uploads/20.-Note-C2A-n-20-ANG.pdf.

79 The World Bank Group Environmental Health and Safety Guidelines contain performance levels and measures across a wide range of sectors that will be normally acceptable and applicable to supported activities. Where national regulations differ from these levels and measures, the more stringent standard should apply unless specific circumstances warrant application of the less stringent measures, as long as full justification is provided and such measures are consistent with SECAP and its corresponding ESS.

borrower/recipient/partner to contain a covenant to ensure that dams and reservoirs are designed, constructed, operated, maintained, superintended and eventually decommissioned to the highest possible standard of safety appropriate to their size and hazard potential, to protect people, property and the environment from the harmful effects of possible malfunction or failure.

11. IFAD distinguishes between three sizes of dams: "small", "medium" and large". They are defined as follows:

    - **Small**: any dam of 5 metres or less in height.
    - **Medium**: any dam between 5 and 15 metres in height.[80]
    - **Large**: any dam over 15 metres in height.

12. For small dams, generic dam safety measures (such as ensuring adequate spillway capacity, freeboard and protection of the downstream outfall, an adequate foundation key/cut-off, protection of the outlet works from differential settlement and leakage, upstream and downstream slopes appropriate to the properties of the material used for construction, adequate drainage, avoidance of unsuitable materials and adequate compaction under competent supervision) are usually all that is required.[81] Nevertheless, upon request, the borrower/recipient/partner should provide IFAD with details of the qualifications and experience of the civil engineer responsible for supervision for review.

13. The requirements for a medium-sized dam are more stringent. For such dams, IFAD requires that a suitably qualified and experienced independent consulting engineer, acceptable to IFAD, be engaged by the borrower/recipient/partner, through a competitive process, to provide recommendations directly to the implementing agency on all aspects of the dam.

14. In the event that IFAD finances (or cofinances) a large dam, or finances a project that relies on the construction of a large dam, IFAD will require:

    - reviews by an independent panel of experts of the investigation, design and construction of the dam and the start of operations;
    - preparation and implementation of detailed plans for construction supervision and quality assurance, instrumentation, operation and maintenance and emergency preparedness; and
    - periodic safety inspections of the dam after completion.

15. IFAD requires that an emergency preparedness plan[82] be prepared for all dams with a "significant" or "high" hazard potential. This plan should specify the roles of parties responsible for the safety of a dam if and when failure is considered imminent, or when the expected operational flow release threatens downstream life, property or economic operations. The plan will include the following items:

    - clear statements on the responsibility for dam operations decision-making and for related emergency communications;

[80] In addition any medium-sized dam will be treated as a large dam if it meets at least one of the following: (i) its crest length is 500 metres or greater; (ii) its reservoir capacity is 3 million m^3 or greater; (iii) its maximum incoming flood is 2000 m^3/s or greater; or (iv) it is located in a zone of high seismicity.

[81] FAO. 2010. *Manual on Small Earth Dams: A Guide to Siting, Design and Construction*. FAO Irrigation and Drainage Paper No. 64. Rome. Available at: www.fao.org/docrep/012/i1531e/i1531e00.pdf.

[82] See also paragraph 18 of this Standard: Emergency Preparedness.

- maps outlining inundation levels for various emergency conditions;
- flood warning system characteristics; and
- procedures for evacuating threatened areas and mobilizing emergency forces and equipment.

16. The broad framework of the plan and an estimate of the cost of preparing the plan in detail should be provided to IFAD prior to finalization of project design. The plan itself should be prepared during implementation and given to the panel of experts (in the case of a large dam) and IFAD for review not later than one year before the projected date of initial filling of the reservoir.

17. **Hazardous materials**. IFAD will ensure that measures are taken to avoid or minimize community exposure to hazardous materials that may be used during project activities. Special care will be taken to avoid exposure to health- and life-threatening hazards by modifying and/or eliminating the potential condition or material that may cause such hazards. Appropriate due diligence will be undertaken to control the safety of deliveries, transport and disposal of hazardous materials and wastes.

18. **Emergency preparedness**. When some elements of risk or negative impact still exist despite adequate attempts to avoid or minimize them, the borrower/recipient/partner will inform affected communities of the risk or negative impact in a socially and culturally appropriate manner. The borrower/recipient/partner will also establish adequate socially and culturally appropriate emergency preparedness and response plans so that it is prepared to respond to accidental and emergency situations that may pose a threat to local communities, and to provide affected communities with appropriate information about emergency preparedness and response activities, resources and responsibilities.

19. **Impacts on ecosystem services**. Adverse impacts on community health and safety[83] sometimes occur as a result of impacts on communal ecosystem services. Measures are required to be taken in order to avoid or minimize adverse impacts on ecosystems services that may arise from project activities. Special attention will be paid to avoid causing or exacerbating potential adverse impacts on marginalized and disadvantaged groups. Where appropriate, potential risks and adverse impacts on ecosystem services that may be exacerbated by climate change are identified in the screening and assessment phase of the project cycle as required by Section 4 of SECAP.

20. **Gender-based violence including sexual exploitation and abuse**: The borrower/recipient/partner will assess risks of project-related gender-based violence, risks of sexual harassment, sexual exploitation, trafficking and abuse to project-affected people and communities. Where appropriate, the borrower/recipient/partner will adopt specific measures to prevent and address these risks, including the provision of confidential channels for reporting incidents and providing support.

21. In line with IFAD's policy to preventing and responding to sexual harassment, sexual exploitation and abuse,[84] in cases where incidences of gender-based violence and/or sexual exploitation and abuse occur, there will be established reporting and response protocols in place, with specific procedures for gender-based violence, including confidential reporting with safe and ethical documenting of such cases, that indicate

[83] Examples include loss of natural buffers which could increase the risk of flooding.

[84] The policy can be found at: https://www.ifad.org/en/document-detail/asset/40738506.

when and where to report incidents, and what follow-up actions will be undertaken. In addition, there will be modalities to provide services and redress to survivors.

22. **Traffic and road safety.** Any IFAD-supported project should include responsibilities for the identification, monitoring and evaluation of the potential traffic and road safety risks to affected local communities and other road users throughout the project life cycle. The borrower/recipient/partner will be required to incorporate technically and financially feasible road safety measures into the project design to prevent and mitigate potential road safety risks. Where appropriate, the borrower/recipient/partner will undertake a road safety assessment (for each phase of the project) and will monitor incidents and accidents (and in turn prepare regular reports based on such monitoring). The borrower/recipient/partner will use the reports, and the corresponding identified safety risks/breaches, to put in place measures that will resolve them.
23. For projects that operate construction and other equipment on public roads, or where the use of project equipment could have an impact on public roads or other public infrastructure, the borrower/recipient/partner will take appropriate safety measures to prevent incidents and accidents from occurring to members of the associated public, given the operation of such equipment.
24. **Influx of project workers.** IFAD will ensure that appropriate mitigation and management measures are taken to address risks and potential impacts on the health and safety of communities arising from the influx of project-related workers in a given area. Such risks and impacts may be associated with changes in population composition, health implications and exposure to communicable diseases, threats of sexual violence and harassment, crime, and increased vulnerability of communities due to increased pressure on already scarce natural resources[85]. Measures will be taken that seek to protect community members from such risks.
25. **Security-related issues and personnel.** Where an IFAD-supported project requires the engagement of security providers/personnel, the borrower/recipient/partner will ensure that such security arrangements do not violate international human rights standards or principles[86]. The risks posed by such security arrangements to the potentially affected community will be assessed to ensure that those providing security are appropriately vetted, trained and supervised. Allegations of unlawful or abusive acts will be reviewed, with actions taken to prevent recurrence against individuals and communities.

[85] From: UNEP (2020), UNEP Environmental and Social Sustainability Framework ESSF, Nairobi, Kenya).
[86] International human rights standards and principles include: the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials; the UN Code of Conduct for Law Enforcement Officials; the Voluntary Principles on Security and Human Rights; and the International Code of Conduct on Private Security Providers.

(bb) Standard 7: Physical and Economic Resettlement

Introduction

1. Drawing on IFAD policies and on international guidelines[87] and best practices relating to involuntary resettlement safeguards,[88] this Standard considers resettlement not only as the physical relocation of people but also as economic, social and cultural displacement causing restrictions on, or loss of access to, people's means of livelihoods and culturally important sites.
2. Physical resettlement refers to relocation due to loss of residential land or loss of shelter. Economic displacement implies the loss or disturbance of land or assets and includes restrictions on access to assets, income sources or means of livelihoods,[89] as well as access to services assisting vulnerable groups.[90]
3. Physical resettlement or economic displacement could be either negotiated and agreed, or involuntary. The two situations have very different implications for IFAD. For the purpose of this Standard, resettlement is considered to be "involuntary" when land is acquired through the application of state powers, such as eminent domain, or access is restricted in legally designated parks or protected areas, and/or public health or safety circumstances imply that resettlement is unavoidable. Involuntary resettlement may cause severe long-term hardship, impoverishment, dilution of community institutions and social networks, and environmental damage unless appropriate compensating measures are carefully agreed, planned and carried out.
4. People affected by potential resettlement should be consulted through an FPIC process[91] to ensure that the mitigation of adverse effects, and the sharing of benefits, will improve their livelihoods, and are appropriate and sustainable.
5. Voluntary resettlement refers to any resettlement not attributable to eminent domain or other forms of land acquisition backed by public powers of the state. The operative principles in voluntary acquisition are respect of the do-no-harm principle and "informed consent". Affected people must have the option to agree or disagree on being relocated

[87] This Standard draws upon UNEP Safeguard Standard 6: Displacement and involuntary Resettlement, in: UNEP (2020), UNEP Environmental and Social Sustainability Framework ESSF, Nairobi, Kenya

[88] Such as: the International Finance Corporation's Policy on Environmental and Social Sustainability and its Performance Standard 5: Land Acquisition and Involuntary Resettlement; the Asian Development Bank's Safeguard Policy Statement; the European Bank for Reconstruction and Development's Draft Environmental and Social Policy; the African Development Bank's Integrated Safeguards System – Policy Statement and Operational Safeguards; the World Bank's Operational Policy on Involuntary Resettlement; and the 2017 World Bank Environmental and Social Framework's Environmental and Social Standard 5 – Land Acquisition, Restrictions on Land Use and Involuntary Resettlement.

[89] Asian Development Bank, 2009, Safeguard Policy Statement.

[90] Examples of physical resettlement are when residential land whereon people live will be converted into a reservoir, irrigated agriculture, real estate for production at scale, roads, protected areas, etc. An example of economic displacement is when land used for grazing is converted into cropland or restricted-use protected areas, etc. Resettlement is as such not restricted to physical relocation. It covers the economic and social impacts people directly affected by land acquisition for land-use changes endure besides loss of ownership, occupancy, or use rights. Resettlement only covers the direct economic, social and cultural impacts of land acquisition, land-use change and restrictions of access. Other social and environmental issues and impacts of an investment are not addressed under this Standard but should be appropriately identified through other instruments, including environmental and social assessments.

[91] "In projects that affect land and other natural resource access and use rights of communities, IFAD applies the principle of FPIC to local communities in a broad sense. Hence, during project design, the design teams need to identify the local communities that would potentially be affected, as a starting point for ensuring their FPIC. In areas that are home to indigenous and tribal peoples and ethnic minorities, there is a general requirement for FPIC." Please refer to How-to-Do Note on FPIC.

and/or on the sale or compensation and assistance measures for their losses. Informed consent implies that people have the choice to agree or disagree with the land acquisition or land-use change without adverse consequences imposed formally or informally by the state. Voluntary resettlement is only possible when the location of an investment is not fixed.[92] Systematic due diligence procedures will be undertaken by IFAD to confirm that acquisitions and displacements were voluntary and not forced.

Objectives

Avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring feasible alternative project designs and sites.

Avoid forced eviction.[93]

Ensure that resettlement activities are planned and implemented collaboratively with meaningful participation of those affected.

Enhance and restore the livelihoods[94] of all displaced people;

Provide explicit guidance to borrowers/recipients/partners on the conditions that need to be met regarding involuntary resettlement issues.

Scope of Application

6. This Standard applies to all IFAD-supported projects that may involve elements of resettlement/displacement. This displacement can be full or partial, permanent or temporary, and could result from a variety of project activities. This Standard also applies to any physical or economic displacement that may have been carried out by the borrower/recipient/partner for purposes relevant to the project before IFAD's involvement.
7. The application of this Standard is consistent with universal respect for human rights and freedoms,[95] the principles of non-discrimination, equal opportunity and fair treatment, and more specifically the right to private property, adequate housing and the improvement of living conditions.

Requirements

8. **Forced evictions**. Forced evictions are prohibited in all IFAD-supported activities. Forced eviction is not the same as involuntary resettlement or the government's use of eminent domain.
9. Any evictions that may be associated with project activities will not be forced evictions and will be carried out lawfully, and only in exceptional circumstances for the purpose of promoting the general welfare and with full justification. In such cases, they will be reasonable and proportional, follow due process standards, be regulated so as to ensure full and fair compensation and rehabilitation, and be carried out in full accordance with

[92] The route of a rural road, for example, could be changed if a landowner objected. The area of a reservoir behind a local dam, by contrast, is immutable. The former instance would allow for voluntary resettlement; the latter would not. World Bank. 2003. *Involuntary resettlement: planning and implementation in development projects*.

93 "Forced eviction" refers to the acts and/or omissions involving the coerced or permanent or temporary involuntary displacement of individuals, groups and communities from homes and/or lands and common property resources which they occupy or depend on, thus eliminating or limiting the ability of an individual, group or community to reside or work in a particular dwelling, residence or location, without the provision of, and access to, appropriate forms of legal or other protections provided for under this standard.

94 For the purpose of this standard, livelihoods restoration is understood to entail restoring to, at the very least, pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

95 Namely, the Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights.

relevant provisions of international human rights and humanitarian law. The protection provided by these requirements applies to all affected persons and groups, irrespective of whether they hold title to home and property under domestic law.

10. **Prior displacement.** Where displacement has already occurred in anticipation of the project, an audit will be conducted to identify:
    - any gaps of past activities against this Standard; and
    - the corrective actions that may be required to ensure compliance with this Standard. A corrective action plan will describe all activities to reach compliance with this Standard in the form of a time-bound plan, including a budget, implementation arrangements, allocation of roles and responsibilities, and implementation schedule.
11. **Avoidance and minimization of displacement.** IFAD seeks to avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring feasible alternative project designs and sites. As part of the social and environmental assessment, IFAD requires:
    - consideration of all feasible project alternatives and measures to avoid displacement, including the "no action" option;
    - where displacement cannot be avoided, the borrower/recipient/partner must rely on the services of experienced professionals in order to establish baseline information and design displacement activities;
    - public disclosure and dissemination (in a timely manner96) of information and justifications for the activities that will result in displacement;
    - provision of effective remedies and redress for affected individuals and communities, including legal counsel and informing those affected of their rights under national laws; and,
    - public disclosure of a RAP at least 120 days prior to displacement activities.
12. **Consideration of vulnerable groups.** Physical and economic displacement can have adverse impacts that may disproportionately affect disadvantaged and vulnerable groups. The borrower/recipient/partner will identify, assess and address impacts on disadvantaged and vulnerable groups in accordance with the screening and assessment phase of the project cycle as required by Section 3 of SECAP and specifically:
    - through socio-economic surveys, carry out analyses to determine pertinent vulnerability factors in the context of the project area, in cooperation with relevant stakeholders, including affected communities;
    - identify vulnerable and disadvantaged individuals and groups based on the results of this vulnerability analysis;
    - conduct specific consultations with vulnerable groups; and
    - plan assistance measures tailored to the different needs of vulnerable groups, describe these measures in the RAP, and provide for their implementation and funding as part of the overall land acquisition and resettlement budget.
13. **Develop plans to enhance and restore livelihoods of affected persons.** When land acquisition or restrictions on land use (whether permanent or temporary) cannot be avoided, the borrower/recipient/partner will develop action plans designed to enhance and restore the standards of living and livelihoods of all affected persons in real terms

[96] Affected persons and communities will be given at least 120 days of notice prior to the date of displacement.

compared to pre-displacement levels. Such plans will address at a minimum the following elements – including the requirements of paragraph 14 where there is physical displacement and paragraph 15 for economic displacement – taking into account the full social and economic costs to displaced persons:

- establish eligibility criteria, cut-off dates, compensation and entitlements for all categories of affected persons;
- provide: (a) fair and just compensation at full replacement cost (based, where relevant, on the cost of replacement at resettled sites and locations) prior to displacement, for any losses of personal, real or other property or goods, noting that compensation and support may be collective in nature; (b) transitional support (both financial and in-kind) based on reasonable estimates of the time required to restore and improve income-earning capacity, production levels, and standards of living; and (c) assistance such as land development, credit facilities, direct benefits, training or employment opportunities, and provision of expertise, as appropriate. The combination of compensation, transitional support and assistance will aim to enhance and restore pre-displacement productive capacity and earning potential of displaced persons;
- provide to displaced individuals and communities secure access to necessary services, shelter, food, water, energy, sanitation, community facilities as applicable.

14. **Physical displacement**. Where programming activities involve physical displacement, the action plan will address the following additional elements:

- Specify the resettlement options chosen by displaced persons, respecting preferences to relocate in pre-existing communities wherever possible, and document all transactions.
- Provide a choice of replacement property with secure tenure[97] of higher value and better characteristics wherever possible[98] for affected people or communities with formal land rights or recognizable claims.[99] Land-based resettlement strategies will be utilized when affected livelihoods are land-based or where land is collectively owned.[100]
- Ensure that resettlement sites provide adequate housing with improved living conditions, necessary civic infrastructure and services. For housing to be adequate, it must, at a minimum, meet the following criteria: security of

[97] Security of tenure means that resettled individuals or communities are resettled to a site that they can legally occupy, where they are protected from the risk of eviction, and where the tenure rights provided to them are socially and culturally appropriate. Activities that involve physical displacement should adhere to the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests.

[98] Replacement property must at a minimum be of equal value of lost assets, with additional investment provided by supported activities to improve its value and characteristics.

[99] It may be appropriate to negotiate in situ land development arrangements whereby displaced persons or communities accept partial loss of land for improvements that increase property value.

[100] Cash compensation for replacement property and assets is discouraged. Payment of cash compensation for lost land and other assets may be appropriate where livelihoods are not land-based or livelihoods are land-based but the land taken is a small fraction of the affected asset and the residual land is economically viable.

tenure; availability of services, materials, facilities and infrastructure; affordability; habitability; accessibility; location; and cultural adequacy.[101]

- For affected people without formal land rights or recognizable claims, compensate for loss of assets other than land (e.g. dwellings, other improvements) at full replacement costs, provide resettlement assistance in lieu of compensation for land sufficient to restore and improve living standards at an adequate alternative site, and provide arrangements to allow them to obtain adequate housing with security of tenure so they can resettle without facing the risk of forced eviction.

15. **Economic displacement**. Where activities involve economic displacement with significant social and economic impacts, the RAP will address the following additional elements:
    - Ensure that compensation covers all commercial losses (including costs of transfer and re-establishing commercial activity, lost net income during transition, lost employee wages) and for other assets such as crops, irrigation infrastructure or other improvements to affected areas.
    - Provide replacement property of improved value where legitimate tenure rights (both formal and informal) are restricted. Provide replacement agricultural sites of superior productive potential wherever possible, including through investments in increasing productivity. If it is clearly demonstrated that replacement land and resources are unavailable, offer cash compensation at full replacement cost and options and support for alternative income-earning with evidence of mutual agreement.
    - Compensate economically displaced people who are without legally recognizable claims to land for lost assets other than land (e.g. crops, irrigation infrastructure, other improvements made to the land), at full replacement cost.
    - Where displaced livelihoods are natural resource-based, offer replacement land and access to alternative resources with a combination of productive potential, locational advantage, and other factors with improved livelihood-earning potential and accessibility, wherever feasible. Provide alternative income-earning opportunities and support if it is demonstrably not possible to provide replacement land and resources.
    - If the programming activities restrict access to resources in legally designated parks or protected areas or other common property resources, establish a collaborative process with affected people and communities to negotiate and determine appropriate restrictions and mitigation measures to improve affected livelihoods while maintaining the sustainability of the park or protected area.
16. **Grievance and redress**. As outlined in section 1.8, the borrower/recipient/partner will ensure that an effective, easily accessible and culturally appropriate grievance redress mechanism is established for the project to receive and facilitate resolution of concerns

[101] See Office of the United Nations High Commissioner for Human Rights/UN Habitat, The Right to Adequate Housing, Fact Sheet 21/Rev. 1.

and complaints (e.g. compensation, relocation or livelihood restoration) that may be raised by affected individuals.

(cc) Standard 8. Financial Intermediaries and Direct Investments

Introduction

1. This Standard recognizes that investments into financial intermediaries (FIs) (indirect investments) and private sector companies[102] (direct investments) are a key instrument for promoting sustainable financial markets and provide financial products and services to farming businesses and to the rural micro, small and medium-sized enterprise sector. IFAD, guided by its Rural Finance Policy and the Framework for IFAD Non-Sovereign Private Sector Operations and Establishment of a Private Sector Trust Fund (the NSO Framework), works with a range of financial intermediaries, including incumbent commercial and development banks, non-bank financial institutions, cooperatives, microfinance institutions, and semi-formal or non-formal organizations such as self-help groups or village savings and loans associations. Direct investments include lending and equity stakes in private sector companies (including corporate and project finance) and guarantee facilities. In line with IFAD's mandate, the end-beneficiaries are expected to be poor, small producers and rural households.
2. The provision of financial services to poor rural households faces many challenges, including: weak infrastructure and low population density located in marginal areas; inherent risks of serving low-income clients living and working in ecologically fragile environments and areas with demarcated natural resources; lack of typical client collateral; limited capacity of financial service providers; low levels of client education; and lack of bankable propositions with access to viable market outlets. Taken together, these challenges increase the transaction costs and risks of serving rural areas and require continual attention and innovation.
3. The nature of financial intermediation means that the FIs will assume delegated responsibility for environmental and social assessment, risk management and monitoring as well as overall portfolio management. The effectiveness of the FIs' environmental and social risk management will be evaluated and monitored on a continuous basis throughout the project life cycle, while also maintaining focus on their primary business of generating reasonable returns for their investors and ensuring sustainability.

Objectives

- Promote sound environmental, social and climate practices and sound human resources management within FIs and direct investees.
- Ensure FIs and direct investees will assess and manage environmental and social risks and impacts of subprojects.
- Promote good environmental and social management practices by direct investees and in the subprojects financed by FIs.

Scope of Application

4. This Standard applies to FIs and direct investees that receive financial support from IFAD guided by its Rural Finance Policy and NSO Framework.

[102] Direct investees refer to private sector actors along agricultural value chains including: farmer's organizations and rural SMEs such as producers of primary agriculture, input suppliers, storage companies, service companies, traders, aggregators, processors, and logistics companies amongst others.

5. Where an FI receiving support from IFAD provides financing and/or de-risking instruments to other FIs, the FI will apply the requirements of this Standard guided by IFAD's Rural Finance Policy and NSO Framework and will ensure that each subsequent FI to applies the requirements of this Standard.
6. In case that a direct investee operates other projects, sub-projects or sub-activities, the direct investee will ensure that the requirements of this Standard are applied.

Requirements

7. **Environmental and Social Management System**. The requirements of all SECAP Standards will apply to all FIs and direct investees. FIs and direct investees are required to develop and maintain, in the form of an ESMS, effective environmental and social systems, procedures and capacities for assessing, managing and monitoring risks and impacts of direct investments and activities and FI subprojects, as well as for managing overall portfolio risk in a responsible manner, while also ensuring the return on investment and sustainability objectives. This will be proportionate to the risks and impacts of the given projects, and the risk profile of the FI's portfolio. Equally for direct investees, it will be proportionate to the risks and impacts of the given project, as well as the risk profile of not-IFAD-financed projects the entity is engaged in. In cases where the FI or direct investee already has an ESMS in place, the entity would provide adequate and supporting documentation on the ESMS indicating the elements which will require enhancement or modification to meet this Standard. Where specific improvements to be achieved during the project cycle are required, the provisions will be included in the Financing Agreement as necessary. An ESMS commensurate to the risk profile should typically consist of the following elements:
    - *Environmental and Social policy*: An E&S policy states the E&S requirements and standards that apply to the lending/investment activities of an FI, or the operating procedures of a direct investee. It will be used to manage the E&S risk associated with the FI's portfolio of the Partners, or the business operations of a direct investee. This should include e.g. a commitment by the FI to have its non-retail transactions comply with the ESS in addition to the local environmental and social regulations.
    - *Identification of risks and opportunities*: A process should be established to identify the environmental, social and climate risks and impacts associated with all business operations and categorize potential investments (incl. subprojects).
    - *Management programmes*: Management programmes are centred on Environmental and Social Action Plans that should point to improved procedures that are necessary for the FI's clients to avoid, minimize or compensate for identified risks and impacts.
    - *Internal organizational capacity and competency:* Personnel with environmental and social responsibilities should be designated to ensure that resources are available for the effective implementation of the ESMS across the organization, which may be a private company, bank or NGO.
    - *Emergency preparedness and response:* A system needs to be put in place to respond to accidental and emergency situations.
    - *Monitoring and reporting:* The FI and direct investee will monitor their environmental, social and climate risks of the investments and ensure internal and external reporting of E&S performance data, as appropriate.

8. **Stakeholder engagement**. The FI or direct investee will put in place procedures for external communications on environmental and social matters proportionate to the risks and impacts of the given (sub)projects, and the risk profile of the FI's portfolio in accordance with its public disclosure policy and business proprietary rights. The FI or direct investee will establish a grievance redress mechanism to respond to concerns and grievances of project-affected parties related to environmental and social performance of the investment in a timely manner. The scope, scale and type of grievance mechanism will be proportionate to the nature and scale of the potential impact and risk of the investment. The FI or direct investee will respond to public enquiries and concerns in a timely manner. FIs and direct investees are also encouraged to publish their corporate environmental and social policy or a summary of their ESMS on their website, if available. FIs will list on their website the link to any publicly available ESIA reports or relevant documents for High Risk subprojects which they finance.
9. **Monitoring and reporting**. The FI or direct investee will submit, in a form acceptable to IFAD, annual environmental and social reports on the implementation of its ESMS. The FI or direct investee will promptly notify IFAD of any significant accidents or incidents associated subprojects. If the risk profile of an FI or direct investee increases significantly, the FI or direct investee will notify IFAD.

(dd) **Standard 9: Climate Change**

Introduction

1. Climate change impacts pose a fundamental threat to sustainable development and the fight against poverty. They have the potential to stall and even reverse human development through their impacts on key development sectors and activities, including agriculture and food production, water, ecosystems and other natural resources, disaster risk management, and health. Climate change has become a key driver of hydro-meteorological disasters and has the potential to produce negative impacts through gradual environmental changes and may exacerbate extreme weather events, increasing the risk of slow and sudden-onset, high-impact disasters. Climate variability is contributing to the increasing frequency and impact of small-scale localized disasters with far-reaching long-term socio-economic and developmental impacts.
2. The Paris Agreement indicates that the long-term goal is to keep the increase in global average temperature to well below 2°C above pre-industrial levels; and to pursue efforts to limit the increase to 1.5°C, recognizing that this would substantially reduce the risks and impacts of climate change.
3. While communities, and IFAD-funded projects, are susceptible to the negative effects of climate change, they can also potentially add to the problem. For example, the Intergovernmental Panel on Climate Change's Special Report on Climate and Land[103] indicates that agriculture, forestry and other land use made up 23 per cent of anthropogenic GHG emissions in the 2007–2016 period.
4. The Sustainable Development Goals, the UNFCCC and Paris Agreement, and the Sendai Framework on Disaster Risk Reduction[104] require Parties and UN agencies to integrate climate change and disaster risk considerations into projects, programmes, plans and policies in order to strengthen resilience and to reduce potential exposure and vulnerability of communities.
5. Investment decisions must take the changing nature of climate risks into account. In the context of project design, this can be done by a systematic approach to climate risk analysis, planning of actions to enhance the resilience of vulnerable livelihoods to climate-related shocks and stresses (climate change adaptation), and minimizing the emissions of GHG and enhancing carbon sinks (climate change mitigation). In this fashion, the borrower/recipient/partner should take account of "impacts to" a project, as well as "impacts from" a project.

Objectives

- Ensure alignment of IFAD-supported projects with targets and priorities of countries' Nationally Determined Contributions and the goals of the Paris Agreement and other international frameworks.
- Ensure that proposed activities are screened and assessed for climate change and disaster risks and impacts both of and to projects.
- Apply the mitigation hierarchy in project design.

[103] Intergovernmental Panel on Climate Change (2019). Special Report on Climate and Land. Summary for Policymakers.

[104] See Sendai Framework on Disaster Risk Reduction 2015–2030.

- Strengthen resilience of communities to address risks of climate change impacts and climate-related disasters.
- Increase the ability of communities to adapt to the adverse impacts of climate change, and foster climate resilience and low GHG-emitting projects that do not threaten food production.

Scope of Application

6. The Requirements of this Standard apply to all IFAD-supported projects that:

- have development outcomes that may be threatened by climate change or related disaster risks;
- may contribute to increased exposure and/or vulnerability to climate change or related disaster risks; or
- may produce significant GHG emissions.

Requirements

7. **Climate change risk (impact of climate change on projects):** IFAD acknowledges the threat that climate change risks and impacts pose to sustainable development and has integrated considerations for such potential adverse risks and impacts throughout SECAP. Through the Climate Risk Screening Procedure, IFAD requires a screening of all projects to determine the exposure and sensitivity of the project objectives to climate-related risks (high, substantial, moderate or low) based on available information about historic climate hazard occurrences, current climate trends, and future climate change scenarios.

8. The screening will also assess the likelihood of the project increasing the vulnerability of the expected target populations to climate hazards (e.g. maladaptation). borrowers/recipients/partners should analyse physical, social, economic and environmental factors or processes which increase the susceptibility and vulnerability of relevant communities to potential climate change impacts and hazards – with a particular focus on marginalized and disadvantaged groups and individuals. Consideration should be given to potential specific gender, age and social vulnerabilities and differentiated impacts.

9. In this regard, the need for clear and robust risk identification and mitigation measures is important, especially in light of the importance of SECAP in supporting the targeting function in project design (following the recently approved Targeting Strategy). As indicated in Section 1 of SECAP, as the project cycle moves forward, with project locations and the types of investment options narrowed down, a more detailed climate analysis should be undertaken. This can specifically inform the nature and types of investments and the way that they are being designed (e.g. the need for “climate proofing” of infrastructure). This has cost implications that should be reflected in the project budgeting.

10. The level of climate risk and its implications for a proposed project, elaborated by environment and climate experts under the responsibility of the ECG Division, are assessed and validated independently within IFAD by the OPR Division. This can result in the reclassification of the climate risk rating, with an associated requirement to undertake an in-depth climate risk analysis, adjustment of the activities to be implemented, and an enhancement of the risk mitigation measures.

11. **Climate change risk (impact of projects on GHG emissions).** In line with the requirements of Standard 2 (Resource Efficiency and Pollution Prevention), IFAD will seek to avoid direct as well as indirect GHG emissions.

12. Alternatives and implementation of technically and financially feasible options to reduce GHG emissions should be considered. Options may include: alternative locations; use of renewable and low-carbon energy sources; energy efficiency; use of low-global-warming-potential coolants for air-conditioning and refrigeration; "climate-smart" agriculture and livestock management practices; and ecosystem-based adaptation and mitigation measures.

13. Where GHG emissions may be significant, potential sources should be characterized and estimated to form a baseline for reducing such emissions, provided such estimation is technically and financially feasible. The borrower/recipient/partner should support and adopt GHG accounting methodologies for programming activities according to good international practice; and protect, conserve and, where appropriate, incorporate carbon sinks into programming activities.[105]

[105] PDTs should consider using the Ex-Ante Carbon-balance Tool (EX-ACT), an appraisal system developed by FAO that provides estimates of the impact of agriculture and forestry development projects, programmes and policies on the carbon balance.

(ee) Annex 1. Glossary

Alternatives assessment: The consideration of potential alternatives in an Environmental and Social Impact Assessment (ESIA), which is one of the most critical elements when determining the scope of the ESIA. Consideration of alternatives provides an opportunity for an objective, scientific evaluation of all the environmental, social, technical and economic consequences of different project options. There are many different categories of alternatives that can be considered:

- site (e.g. position of agroprocessing plant, fields);
- route (e.g. power lines, roads, pipelines);
- crops (e.g. types, variety);
- input (e.g. power source, agrochemicals);
- scale (e.g. small-scale growers, large commercial farms); and
- design (e.g. building height, screens, colour).

Baseline data: Data that describe issues and conditions at the inception of the Environmental and Climate Change Assessment. Serves as the starting point for measuring impacts, performance, etc., and is an important reference for evaluation (OECD, 2006).[106]

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 (Convention on Biological Diversity, 1992).[107]

Chance find: The discovery of previously unknown cultural heritage resources, particularly archaeological resources, which are encountered unexpectedly during project construction or implementation (adapted from European Bank for Reconstruction and Development (EBRD), 2019).

Child labour: Child labour includes (i) labour below the host country's minimum age of employment and (ii) any other work that may be hazardous, may interfere with the child's education, or may be harmful to the child's health or to the child's physical, mental, spiritual, moral or social development. However, if the laws or regulations of the country in which the project is located provide, in conformity with the International Labour Organization's Minimum Age Convention, 1973, that children at least 16 years of age may be employed for such work on condition that their health, safety and morals are fully protected and that they have received adequate specific instruction or vocational training in the relevant branch of activity, then child labour means employment of children for work that does not comply with these laws and regulations (adapted from Asian Infrastructure Investment Bank, 2016).

Critical habitat: is defined as areas with high biodiversity importance or value, including: (a) habitat of significant importance to Critically Endangered or Endangered species, as listed on the International Union for the Conservation of Nature (IUCN) Red List of threatened species or equivalent national approaches; (b) habitat of significant importance to endemic or restricted-range species; (c) habitat supporting globally or nationally significant concentrations of migratory or congregatory species; (d) highly threatened or unique system; and (e) ecological functions or

[106] www.oecd.org/gov/ethics/37390076.pdf.

[107] https://www.cbd.int/convention/articles/default.shtml?a=cbd-02.

characteristics that are needed to maintaining the viability of the biodiversity values described above in (a) to (d) (World Bank, 2017).

Cultural heritage: Resources which people identify as a reflection and expression of their constantly evolving values, beliefs, knowledge and traditions**.**

Cumulative impact: The collective impact of a project's or programme's incremental impacts added to the impacts (direct and indirect) of other relevant past, present and reasonably foreseeable future developments, as well as the unplanned but predictable activities enabled by the project that may occur later or at a different location. There are a number of different types of cumulative impacts:

Type	Characteristic	Example
Time crowding	Frequent and repetitive effects	Forest harvesting exceeds rate of regrowth
Time lags	Delayed effects	Bioaccumulation of persistent organic pollutants from pesticides
Space crowding	High spatial density of effects	Numerous small dams on a river
Cross-boundary	Effects occur away from the source	Atmospheric pollution and acid rain
Fragmentation	Change in landscape pattern	Fragmentation of habitat by agriculture
Compounding effects	Effects arising from multiple sources or pathways	Synergistic effect of different types of pollutants on stressed ecosystems or human populations
Indirect effects	Secondary effects	Forest areas opened up as a result of a new highway
Triggers and thresholds	Fundamental changes in system functioning	Climate change

Decent rural employment: Any activity, occupation, work, business or service performed for pay or profit by women and men, adults and youth, in rural areas that: (i) respects the core labour standards as defined in ILO conventions; (ii) provides an adequate living income; (iii) entails an adequate degree of employment security and stability; (iv) adopts sector-specific minimum occupational safety and health measures; (v) avoids excessive working hours and allows sufficient time for rest; and (vi) promotes access to adapted technical and vocational training (FAO).[108]

Disadvantaged or vulnerable groups or individuals: Those individuals or groups who, by virtue of, for example, their age, gender, ethnicity, religion, physical, mental or other disability, social, civic or health status, sexual orientation, gender identity, economic disadvantages, indigenous status, and/or dependence on unique natural resources, may be

[108] See also: http://www.fao.org/rural-employment/background/en/.

more likely to be adversely affected by the impacts of a project and/or more limited than others in their ability to take advantage of its benefits.

Economic displacement: Loss of land, assets or restrictions on land use, assets and natural resources leading to loss of income sources or other means of livelihood (adapted from EBRD, 2019)

Ecosystem: A dynamic complex of plant, animal and micro-organism communities and their non-living environment interacting as a functional unit (FAO, 2005).

Ecosystem approach: A strategy for the integrated management of land, water and living resources that promotes conservation and sustainable use in an equitable way (CBD, 2020).

Ecosystem services: The benefits that people derive from ecosystems. Ecosystem services may be organized into four types: (i) *provisioning services*, which provide people with the goods from ecosystems (i.e. food, freshwater, timber, fibers, medicinal plants); (ii) *regulating services*, which regulate ecosystem processes (e.g. surface water purification, carbon storage and sequestration, climate regulation protection from natural hazards); (iii) *cultural services*, which are the non-material benefits people obtain from ecosystems (e.g. sacred sites, areas of importance for recreation and aesthetic enjoyment); and (iv) *supporting services*, which are the natural processes that maintain the other services (e.g. soil formation, nutrient cycling, primary production).[109]

Environment: In this context, environment is considered to include biophysical resources and conditions on which rural communities and their activities depend, and which in turn they influence (IFAD, 2008).

Forced evictions: the permanent or temporary removal against their will of individuals, families and/or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection (adapted from Office of the High Commissioner for Human Rights, 2014).

Forced labour: Work exacted under the threat of penalty and for which the person has not offered himself or herself voluntarily. Forced labour can involve practices such as threats of dismissal or physical violence, the withholding of identity documents or wages, threats to denounce workers to immigration authorities where their status is illegal, or entangling workers in fraudulent debt (adapted from ILO, 2016).

Gender-based violence: An umbrella term for any harmful act that is perpetrated against a person's will and that is based on socially ascribed (i.e. gender) differences between males and females. It includes acts that inflict physical, sexual or mental harm or suffering, threats of such acts, coercion, and other deprivations of liberty. These acts can occur in public or in private (IASC, 2015). Women and girls are disproportionately affected by gender-based violence across the globe (World Bank, 2018).

Gender equality: The equal rights, responsibilities and opportunities of women and men and of girls and boys (UN Women, 2001).

Health: Health is a multidimensional concept which encompasses a complete state of physical, mental and social well-being and not merely the absence of disease or infirmity

[109] The initiative on a Common International Classification of Ecosystem Services (CICES) has proposed organizing ecosystem services into three broad classifications: provisioning services, regulating and maintenance, and cultural services. See CICES ver. 4.3 at https://cices.eu.

(adapted from the World Health Organization, 1946).[110] In the context of IFAD projects, health issues can be categorized according to the cause of driver, including problems derived from nutrition and food security, exposure to pesticides and hazardous substances and other.

Historical pollution: Pollution from past activities affecting land and water resources for which no party has assumed or been assigned responsibility to address and carry out the required remediation (World Bank, 2018).

Involuntary resettlement: Resettlement refers to the impact of physical displacement (relocation or loss of shelter) and/or economic displacement (loss of assets or access to assets that leads to loss of income sources or means of livelihood) as a result of project-related land acquisition or restriction of access to natural resources. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use[111] that result in such displacement, even if compulsory acquisition is used only as a last resort after a negotiated process (adapted from World Bank, 2016 and EBRD, 2019).

Land acquisition: Refers to all methods of obtaining land for project purposes, which may include: outright purchase; expropriation of land and assets; acquisition of temporary or permanent access rights, such as easements, rights of way; and establishment of restrictions of access to protected and other areas. Land acquisition may also include: acquisition of unoccupied or unutilized land whether or not the landholder relies upon such land for income or livelihood purposes; repossession of public land that is used or occupied by individuals or households; and project impacts that result in land being submerged or otherwise rendered unusable or inaccessible. “Land” includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements, and appurtenant water bodies (EBRD, 2019).

Mainstreaming: For the purposes of these procedures, mainstreaming is the process of systematically integrating IFAD’s environment, social and climate 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 climate, environmental and social risk management approaches and tools in the programme and project cycle in order to better harmonize economic, environmental, climate change and social concerns (IFAD).

Mitigation hierarchy: A tool commonly applied in Environmental and Social Impact which helps to manage biodiversity risk. Includes measures taken to avoid impacts to biodiversity from the outset of development activities and, where this is not possible, to implement measures that would minimize, then reinstate and, as a last resort, offset any potential residual adverse impact (adapted from EBRD, 2019).

Physical cultural resources: Also known as “cultural heritage”, “cultural patrimony”, “cultural property”, physical cultural resources 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

[110] apps.who.int/gb/bd/PDF/bd47/EN/constitution-en.pdf?ua=1.

[111] Limitations or prohibitions on the use of agricultural, residential, commercial or other land that are directly introduced and put into effect as part of the project. These may include restrictions on access to legally designated parks and protected areas, restrictions on access to other common property resources, and restrictions on land use within utility easements or safety zones (World Bank, 2016).

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).[112]

Physical displacement: Refers to relocation, loss of residential land, or loss of shelter (adapted from EBRD, 2019).

Risk: the uncertainty of an action's or an event's outcome, whether positive, negative or both, which may have an impact on the achievement of the objectives. Risk is measured in terms of likelihood (probability) and impact. When the management of risk goes well, it often remains unnoticed. When it fails, however, the consequences can be significant in operational, financial, human resources, reputational and strategic terms (IFAD, 2008).

Sensitivity: The degree to which a system is vulnerable to change, either adversely or beneficially, as a result of the impacts of the project or from climate-related stimuli. The effect of the latter 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) (adapted from UNEP, 2005).

Sexual exploitation and abuse: In the context of IFAD's operations in the field, any actual or attempted abuse of a position of vulnerability, differential power, or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of others (sexual exploitation); the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions (sexual abuse) (IFAD, 2018).

Sexual harassment: Any unwelcome sexual advance, request for sexual favour or other verbal, non-verbal or physical conduct of a sexual nature that unreasonably interferes with work, alters or is made a condition of employment, or creates an intimidating, hostile or offensive work environment (IFAD, 2018).

Social: Encompasses the following: demographic structure (age, gender, population growth), settlement and migration patterns, education and skills, local economy, employment (formal and informal sectors), livelihoods and livelihood options, use of ecosystem services, land use and land tenure (property rights), community health and well-being (including health status and drivers of disease), gender roles and equality, culture (shared beliefs, customs, values, language and religion), cultural heritage (physical and spiritual), local governance structures and decision-making, community services (schools, tertiary institutions, health care, water and sanitation, power supply, communications), and indigenous knowledge.[113] Specifically it covers gender equality and women's empowerment, youth and indigenous peoples and historically underserved local communities, people with disabilities as well as other socio-economic determinants of poverty, vulnerabilities and capacities within the framework of IFAD's policies on Targeting (2006), Engagement with Indigenous Peoples (2009), Gender Equality and Women's Empowerment (2012) and Youth Policy Brief (2013).

Stakeholders: Those who may be interested in, potentially affected by, or influence the implementation of a programme or project. In the context of environmental, social and climate assessments applied to development cooperation, stakeholders may include: (i) internal staff (environment and non-environment) in donor agency and other departments in the donor

[112] http://siteresources.worldbank.org/JAPANINJAPANESEEXT/Resources/515497-1196389582361/4451844-1216950323362/080901_lintner_op411.pdf.

[113] Adapted from Vanclay, 2003. https://www.iaia.org/uploads/pdf/IAIA-SIA-International-Principles.pdf.

country; (ii) the partner country government; (iii) other donor agencies; (iv) NGOs; and (v) civil society (adapted from UNDP, 2017).

Targeted groups: To be identified for each project through a gender-sensitive poverty and livelihood analysis using available data, filling information gaps as needed, and always incorporating the views of poor women and men expressed directly or through their organizations. As guiding principles, in all operational situations IFAD will: focus on rural people who live in poverty and food insecurity and are able to take advantage of the opportunities to be offered; expand outreach to proactively include those who have fewer assets and opportunities (in particular, marginalized groups such as minorities and indigenous peoples and historically underserved local communities); have a special focus on women within all identified target groups, reasons of equity, effectiveness and impact; recognize that relative wealth or poverty can change rapidly; identify and work with like-minded partners at all levels; pilot and share learning on effective approaches to targeting hard-to-reach groups; and build innovative and complementary partnerships with actors that can reach target groups that IFAD cannot reach with the instruments at its disposal (IFAD, 2006).

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).[114]

[114] www.unisdr.org/files/8020_03Birkmann1.pdf.

(ff) Annex 2. Documents and tools associated with SECAP assessments[115]

Tools	Brief explanation[116]
Programme/project level	
Climate Risk Analysis	This is a tool to identify and mitigate risks resulting from climate change to IFAD investment projects to enhance existing opportunities to improve results. The analysis is conducted in the early stages of project development and incorporates adaptation measures in the design of projects at risk. It assesses climate change risk and vulnerability associated with the project, designs technical and economic evaluations of adaptation options, and develops monitoring and reporting measures of the level of risk and climate-proofing measures.
Environmental, Social and Climate Management Framework	The (abbreviated) Environmental, Social and Climate Management Framework (ESCMF) is a tool to examine the risks and impacts (adverse/beneficial) when a project consists of a programme and/or series of subprojects and the affected persons, risks and impacts cannot be determined until the programme or subproject details have been identified. The (abbreviated) ESCMF sets out the principles, rules, guidelines and procedures to assess the environmental, social and climate risks and impacts for projects and subprojects. It includes adequate information on the area in which projects and subprojects are expected to be sited, including any potential environmental, social and climate vulnerabilities of the area. It contains mitigation measures to reduce[a] and/or offset adverse risks and impacts, enhance environmental, social and climate benefits, and estimates the costs of such measures. Most importantly, it should include adequate institutional mechanisms, including capacity-building, to allow the borrower/recipient/partner to manage and monitor environmental, social and climate concerns related to the project or subprojects. Where relevant, the (abbreviated) ESCMF should specify the environmental and social management requirements (including health and safety) that will be the responsibility of contractors and primary suppliers hired to implement subprojects. Such requirements should be incorporated in the respective project implementation manual.
Environmental, Social and Climate Management Plan	The Environmental, Social and Climate Management Plan (ESCMP) is an instrument that details: (i) the measures to be taken during the implementation and operation of a project/subproject to eliminate or offset adverse environmental, social and climate impacts, or to reduce them to acceptable levels; (ii) the measures to enhance environmental and social outcomes; and (iii) the

[115] For a more comprehensive overview of targeting- and mainstreaming-related assessment and guidance tools, see annex 1 to Guidance Note 10 in SECAP Volume 2.

[116] The assessment will include, as appropriate, a combination or elements of the listed tools.

	actions needed (monitoring/supervision/reporting requirements), implementation arrangements, institutional responsibilities, time schedule and costs to implement the measures.[b] The ESCMP is required for all High Risk and Substantial Risk projects. The ESCMP is typically presented as a section of the ESIA/ESCMF, but for Substantial Risk projects it is part of the SECAP review note in the form of a matrix.
Environmental and Social Impact Assessment	An (abbreviated) Environmental and Social Impact Assessment (ESIA) is a tool/study to identify and assess the potential adverse and beneficial impacts (direct, indirect, cumulative and transboundary impacts and the impacts of Associated Facilities) of the proposed project on biophysical, social and other relevant aspects, evaluate alternatives and options, and design the most appropriate mitigation, monitoring and management measures to reduce risks and enhance opportunities. The study is conducted in the early stage to inform the project design. The draft report and accompanying relevant documents are disclosed for stakeholder feedback at the Design Review Meeting stage, or at the relevant stage of project implementation, prior to finalization (see box 3).

Screening	The screening is based on a set of questions to justify the preliminary category and classification of the project, which are reflected in the preliminary SECAP review notes. The process determines any type/level of additional assessments/studies required to inform design consideration.
Targeted Adaptation Assessment	For projects that are screened as “substantial risk” in the climate screening procedure, a Targeted Adaptation Assessment is required. Because the project has not been screened as “high risk”, it is assumed that both project and community vulnerability is not significant, and/or is relatively simple to pinpoint, but that adaptation measures may need to be addressed in the project design, so as to ensure that the project is sustainable in the long-term.
Vulnerability Impact and Adaptation Assessment	For projects that are screened as “high risk” in the climate screening procedure, a detailed vulnerability impact and adaptation assessment is required. The assessment aims to quantify risks and identify adaptation options that can be integrated into the project design. The level of technical rigor of the assessment depends on the project complexity and availability of climate data and information for the project area. It can range from a simple desk analysis to a complex assessment based on custom climate projections. This assessment would usually be conducted by experts with a background in climate modelling, impact assessment and the economics of climate change. They would work together with Project Development Teams, the borrower/grant recipient, and other stakeholders to formulate adaptation solutions for the project.
Tools for specific features of a project	
Biodiversity Action Plan/ Biodiversity Management Plan	Where biodiversity values of importance to conservation are associated with a project or its area of influence, the preparation of a Biodiversity Action Plan (BAP) or Biodiversity Management Plan (BMP) provides a useful means to focus a project’s mitigation and management strategy. For project activities in critical habitats and protected areas, Standard 1 notes that a BAP should be in place as part of the appropriate conservation and mitigation plans. For projects solely designed to strengthen biodiversity and maintain or restore ecosystems in areas of critical habitat, the project document itself would constitute such a plan. Biodiversity plans are highly encouraged when projects are also operating in natural habitats (or in modified habitats with biodiversity values of importance to conservation).
Biodiversity Baseline Study	A biodiversity baseline study is conducted to collect and interpret information on the biodiversity values occurring at a site, their current condition, and trends before a project commences. Some prefer the terms “biodiversity survey” or “biodiversity assessment” for work done to characterize the biodiversity at site, reserving the term

	"biodiversity baseline" for the assessment of initial conditions at the commencement of long-term monitoring of project impacts.
Chance Find Procedure	A chance find procedure is a project-specific procedure which will be followed if previously unknown cultural heritage is encountered during project activities.
Cumulative Impact Assessment	The Cumulative Impact Assessment is an instrument that considers cumulative impacts of the project in combination with impacts (direct and indirect) from other relevant past, present and reasonably foreseeable developments, as well as unplanned but predictable activities enabled by the project that may occur later or at a different location.
Ex-Ante Carbon-balance Tool	The Ex-Ante Carbon-balance Tool (EX-ACT) is an appraisal system developed by FAO which provides estimates of the impact of agriculture and forestry development projects, programmes and policies on carbon balance. EX-ACT is a land-based accounting system, estimating carbon stock changes (i.e. emissions or sinks of carbon dioxide per hectare and year). The tool helps project designers to estimate and prioritize project activities that bring about high benefits in terms of economic and climate change mitigation. The amount of GHG mitigation can also be used as part of the economic analyses, as well as for easier access to additional project funds. The application of EX-ACT or a similar tool should be used for projects that have the potential to generate significant GHG emissions.
Environmental and Social Audit	The Environmental and Social Audit is a tool to determine the nature and extent of all environmental and social areas of concern of an existing project. The audit identifies and justifies appropriate measures and actions to mitigate the areas of concern, estimates the cost of the measures and actions, and recommends a schedule for implementing them. For certain projects, it could be a stand-alone activity; in other cases, the audit forms part of the ESIA, or could be included as part of the terms of reference for a supervision or mid-term review mission.[d]
Health Impact Assessment	The Health Impact Assessment (HIA) is a means of assessing the health impacts of policies, plans and projects in diverse economic sectors, using quantitative, qualitative and participatory techniques. HIA helps decision-makers to make informed choices about alternatives and improvements to prevent disease and injury and to actively promote health. IFAD supports tools and initiatives in HIA to dynamically improve health and well-being.[e]
Indigenous Peoples Plan	The Indigenous Peoples Plan (IPP) is a tool to ensure that the design and implementation of projects foster full respect for indigenous peoples and historically underserved local communities' identity, dignity, human rights, livelihood systems and cultural uniqueness, as defined by the indigenous peoples and historically

	underserved local communities themselves. It outlines the actions to minimize and/or compensate for the adverse impacts and identifies opportunities and actions to enhance the positive impacts of a project for indigenous peoples and historically underserved local communities in a culturally appropriate manner. Depending on local circumstances, a free-standing IPP may be prepared or it may be a component of a broader community development plan. The IPP will also include the results of consultations, the FPIC Plan, and future engagement plans.
Labour Management Procedures	Labour management procedures set out the way in which labour issues will be managed, in accordance with the requirements of national law, collective agreements and the Standard 5 requirements. The procedures facilitate planning for the project and help identify the resources necessary to address the labour issues associated with the project. The labour management procedures need to be appropriate to the size, locations and workforce of project activities.
Pesticide Management Plan	The Pesticide Management Plan is a tool to prevent, evaluate and mitigate the occurrences of pesticides or pesticide breakdown products. The plan includes components promoting prevention and developing appropriate responses to the detection of pesticides or pesticide breakdown products, and provides responses to reduce or eliminate continued pesticide movement to groundwater and surface water. It encourages the use of a combination of pest management techniques, such as integrated pest management, to suppress pest populations in an effective, economical and environmentally sound way, and minimize adverse effects on beneficial organisms, humans and the environment.
Resettlement Action Framework	A (abbreviated) Resettlement Action Framework (RAF) is developed for projects with subprojects or multiple components that cannot be identified before project approval but have the potential to result in economic and physical resettlement.[c] The (abbreviated) RAF sets out the principles, rules, guidelines and procedures to assess the social and livelihood risks and impacts. It contains: measures and plans to reduce, mitigate and/or offset adverse risks and impacts; provisions for estimating and budgeting the costs of such measures; and appropriate roles, responsibilities and capacity for managing, mitigating and monitoring social and livelihood concerns related to the project. The (abbreviated) RAF may also be appropriate where there are valid reasons for delaying the implementation of the resettlement, on condition that the sponsor or party provides an appropriate and concrete commitment to its future implementation. The draft (abbreviated) RAF and accompanying relevant

	documents are disclosed for stakeholder feedback at the quality assurance stage prior to finalization.
Resettlement Action Plan	A (abbreviated) Resettlement Action Plan (RAP) is a document prepared by the sponsor or other parties responsible for resettlement (such as government agencies), specifying the socio-economic and cultural characteristics of the affected people and the procedures – e.g. cut-off date, time frame for compensation, relocation assistance, grievance mechanisms – it will follow and the actions it will take to properly resettle and fairly compensate affected people/communities and to restore and improve their living standards. It applies to any project that may result in the loss of assets, the impairment of livelihood, or the physical relocation of an individual, household or community. The development of the (abbreviated) RAP should entail a meaningful stakeholder consultation (FPIC) with affected persons and disclosure of information in a culturally appropriate and gender-inclusive manner. The draft (abbreviated) RAP and accompanying relevant documents are disclosed for stakeholder feedback at the QAG desk review stage.
Regional Environmental and Social Assessment	The Regional Environmental, Social and Assessment is a tool to examine the risks and impacts associated with a particular strategy, policy, plan or programme for a particular region. It involves an assessment of legal and institutional aspects relevant to the issues, risks and impacts, and recommends broad measures to strengthen environmental and social management in the region. The examination gives attention to potential cumulative risks and impacts of multiple activities in a region.
Social Impact Assessment	The Social Impact Assessment includes the processes of analysing, monitoring and managing the intended and unintended positive and negative social consequences (including gender-based violence and sexual exploitation and abuse) of planned interventions (policies, programmes, plans, projects) and any social change processes invoked by those interventions. Its primary purpose is to bring about a more sustainable and equitable biophysical and human environment (International Association for Impact Assessment).[f] The assessment is often carried out as part of, or in addition to, the environmental impact assessment. Although the Social Impact Assessment is usually applied to planned interventions, the same techniques can be used to evaluate the social impact of unplanned events, for example, disasters, demographic change and epidemics.
Transboundary Impact Assessment	A specific focus of Transboundary Impact Assessment (TIA) is to better understand conflict resolution in transboundary environmental matters and environmental considerations for sustainable agricultural development. TIA seeks to facilitate cooperation in conducting EIA for projects with potential transboundary environmental

	impacts, while respecting the differences among the EIA laws in potentially affected countries (and specifics of their national EIA systems). For IFAD, TIA is only relevant for multi-country programme interventions. In such circumstances, IFAD should ensure that all potentially affected countries and/or regions have the ability to engage in the TIA process.

[a] See page 40: consultations.worldbank.org/Data/hub/files/consultation-template/review-and-update-world-bank-safeguard-policies/en/materials/the_esf_clean_final_for_public_disclosure_post_board_august_4.pdf.

[b] See page 39: consultations.worldbank.org/Data/hub/files/consultation-template/review-and-update-world-bank-safeguard-policies/en/materials/the_esf_clean_final_for_public_disclosure_post_board_august_4.pdf.

[c] See page 68: www.adb.org/sites/default/files/institutional-document/33739/files/environment-safeguards-good-practices-sourcebook-draft.pdf.

[d] See page 39: consultations.worldbank.org/Data/hub/files/consultation-template/review-and-update-world-bank-safeguard-policies/en/materials/the_esf_clean_final_for_public_disclosure_post_board_august_4.pdf.

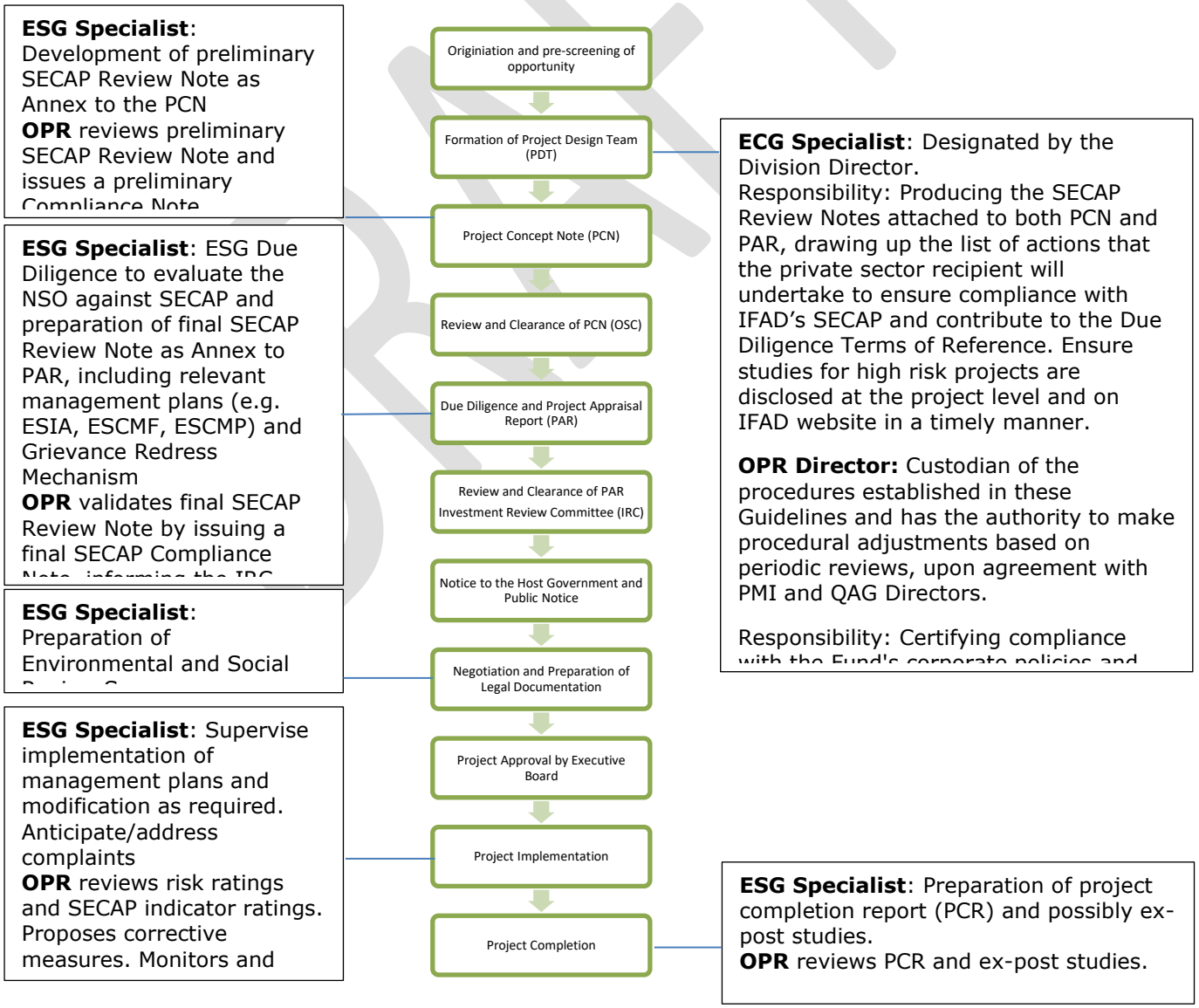
[e] See www.who.int/hia/en.

[f] See www.iaia.org/uploads/pdf/SIA_Guidance_sp.pdf.

(gg) Annex 3. SECAP in the Non-Sovereign Operations project cycle

1. SECAP covers all private sector operations supported by IFAD and all NSOs should comply with the nine SECAP Standards, risk thresholds and IFAD exclusion list. The SECAP steps in the NSO cycle differ from the Programme of Loans and Grant – taking into account the slight differences in IFAD's project cycle requirements for private sector projects including FIs. As section III of the NSO Framework specifies, the assessment of Environmental and Social (E&S) standards and risks is a fundamental criterion for the NSO approval process. Private sector recipients are responsible for adhering, throughout the project cycle, to IFAD's SECAP standard. The SECAP process provides guidance on the specific requirements to ensure that NSO operations meet applicable Environment, Social and Governance (ESG) requirements and to address risks at each stage of the NSO project cycle. The SECAP approach for NSOs is flexible and agile, while ensuring rigour to promote ESG compliance and protect their reputation and financial stance.
2. Figure 4 below illustrates the SECAP documentation that should be submitted and the responsibilities at each step of the NSO project cycle.

Figure 4. SECAP steps and requirements in the NSO project cycle



3. For private sector projects (i.e. financial intermediaries and direct investments), categorization should take place as early as possible at the PCN stage. The PDTs (in collaboration with PAI) will conduct an initial environmental, climate change and social screening/scoping using a scorecard and specific E&S risk assessment tool for direct investments in order to determine the preliminary environmental and social category and climate risk classification. To also determine the environmental and social risk category and climate risk classification for FIs projects, the rating in the E&S risk assessment tool takes into consideration the E&S risk profile of the existing and proposed portfolio of investments/financing activities of the FIs associated with IFAD's financing. Any FI subproject with significant risks will be required to do the same due diligence as a directly financed IFAD project with significant risks.The existing risks of an FI's portfolio cannot[117] be disconnected from the proposed project activities that IFAD will finance. OPR will validate the risk ratings to ensure that they adequately reflect the relevant SECAP standards and requirements, to be reflected in the respective project ESCMP.
4. The project should be assigned one of four environmental, social and climate risk ratings: High, Substantial, Moderate or Low. The ratings take into consideration the environmental, social and climate risks and impacts of the proposed project, as well as the profile of the existing and proposed portfolio of the NSO. IFAD risk thresholds and exclusion list are also taken into account in the screening process. The studies/assessments to be conducted will be proportionate with the scale and nature of the environmental and social risks and impacts associated with the project activities. All studies for High Risk projects will be disclosed at the project level and on IFAD website for a period of 60 days prior to Board approval. OPR will validate the risk ratings to ensure that they adequately reflect the relevant SECAP standards and requirements, to be reflected in the respective project ESCMP.
5. The PDT will perform an ESG due diligence to complete the Environmental, Social and Climate risk screening to meet SECAP requirements. This includes reviewing the adequacy of the ESMS of the private sector recipient and assessing its capacity to manage the environmental and social impacts that could be generated by the project, including on-lending operations, as necessary. The PDT will collaborate with the private sector recipient and agree on specific action and measures[118] to ensure that the project will achieve objectives consistent with SECAP requirements. The PDT will capture the actions and measures in the SECAP Review Notes during the NSO review process and propose terms of reference for the additional studies, as necessary.
6. Tables 5 and 6 below provide complementary environmental and social considerations to help determine the risk categorization.

[117] For example, if IFAD wants to grant a credit line to specifically support smallholders to an FI in a country that currently heavily finances coal power and mining projects, then the reputational risks for IFAD are still high.

[118] For example: (i) for the assessment and management of environmental and social risks and impacts of the project; (ii) whose safeguards will apply to the project activities; (iii) disclosure of information; and (iv) grievance redress. The actions/measures are reflected in the ESCMP, PIM and Financing Agreement.

Table 5. Environmental and Social risk categorization for NSO

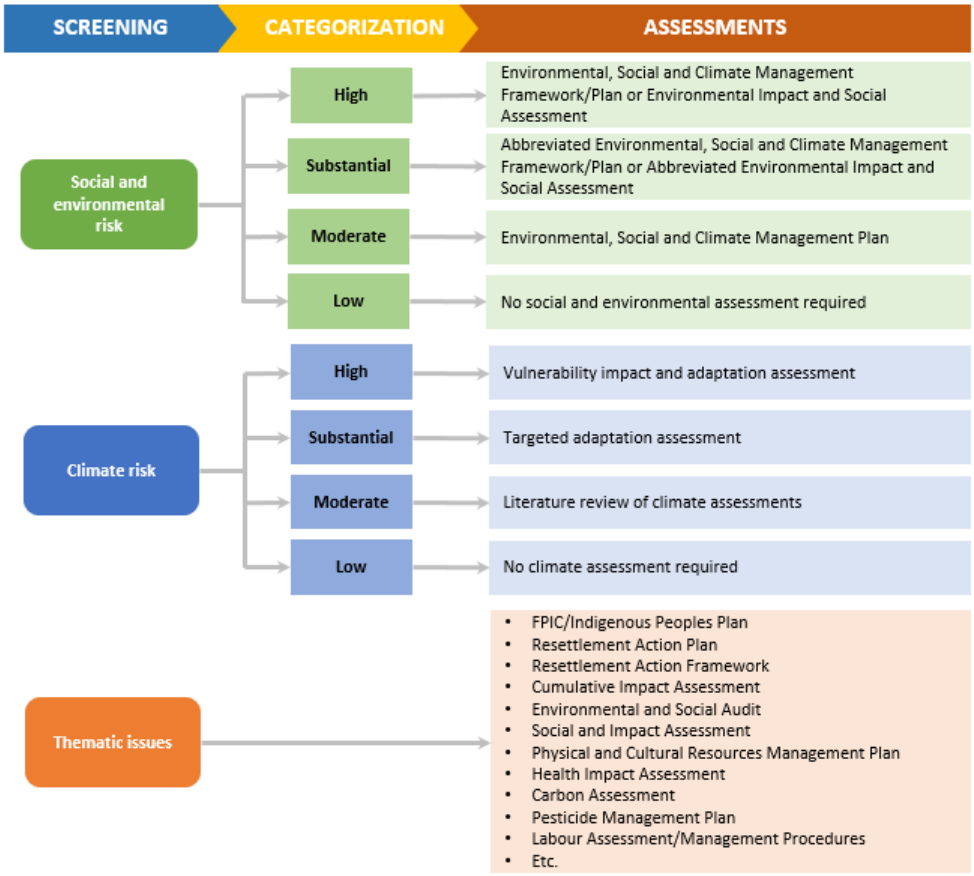
Category	Environmental and Social Risks
High	**High Risk FIs**: when an FI's existing or proposed future portfolio includes, or is expected to include in the future (including through IFAD's support), significant financial exposure to business activities with potential significant adverse environmental or social risks or impacts that are diverse, irreversible or unprecedented. This includes FIs with existing or proposed future portfolios that substantially include clients and projects that would be categorized as High Risks as defined in IFAD's environmental and social categories for direct investments. A significant exposure to clients and projects within an FI's portfolio is when > 80% of the total portfolio value is with these clients and projects.
Substantial	**Substantial Risk FIs**: when an FI's existing or proposed future portfolio includes, or is expected to include in the future (including through IFAD's support), significant financial exposure to business activities with potential significant adverse environmental or social risks or impacts that are mostly temporary, predictable and/or reversible or that can be avoided or reversed. This includes FIs with existing or proposed future portfolios that substantially include clients and projects that would be categorized as Substantial Risks as defined in IFAD's environmental and social categories for direct investments and only a limited number of High Risk clients and projects as defined in IFAD's environmental and social categories for direct investments. A significant exposure to clients and projects within an FI's portfolio is when > 80% of the total portfolio value is with these particular clients and projects. A limited exposure to clients and projects within an FI's portfolio is when < 20% of the total portfolio value is with these particular clients and projects.
Moderate	**Moderate Risk FIs**: when an FI's existing or proposed future portfolio includes, or is expected to include in the future (including through IFAD's support), significant financial exposure to business activities with potential significant adverse environmental or social risks or impacts that are mostly predictable, temporary and reversible. This includes FIs with existing or proposed future portfolios that substantially include clients and projects that would be categorized as Moderate Risks as defined in IFAD's environmental and social categories for direct investments and only a limited number of Substantial Risk clients and projects as defined in IFAD's environmental and social categories for direct investments. A significant exposure to clients and projects within an FI's portfolio is when > 80% of the total portfolio value is with these clients and projects.
Low	**Low Risk FIs**: when an FI's existing or proposed future portfolio includes, or is expected to include in the future (including through IFAD's support), significant financial exposure to business activities with are not likely to generate adverse environmental or social risks. This includes FIs with existing or proposed future portfolios that substantially include clients and projects that would be categorized as Low Risks as defined in IFAD's environmental and social categories for direct investments and only a limited number of Moderate Risk clients and projects as defined in IFAD's environmental and social categories for direct investments. Examples: microfinance institutions, digital finance providers, etc. A significant exposure to clients and projects within an FI's portfolio is when > 80% of the total portfolio value is with these clients and projects. A limited exposure to clients and projects within an FI's portfolio is when < 20% of the total portfolio value is with these particular clients and projects.

Table 6. Climate risk classification for NSO

Category	Climate Risks
High	**High Risk FIs**: when an FI's existing or proposed future portfolio includes, or is expected to include in the future (including through IFAD's support), significant financial exposure to business activities which are highly vulnerable to climate-related hazards. This includes FIs with existing or proposed future portfolios that substantially include clients and projects that would be categorized as High Risks as defined in IFAD's climate change categories for direct investments. A significant exposure to clients and projects within an FI's portfolio is when > 80% of the total portfolio value is with these clients and projects.
Substantial	**Substantial Risk FIs**: when an FI's existing or proposed future portfolio includes, or is expected to include in the future (including through IFAD's support), significant financial exposure to business activities which are substantially vulnerable to climate-related hazards. This includes FIs with existing or proposed future portfolios that substantially include clients and projects that would be categorized as Substantial Risks as defined in IFAD's climate change categories for direct investments and only a limited number of High Risk clients and projects as defined in IFAD's climate change categories for direct investments. A significant exposure to clients and projects within an FI's portfolio is when > 80% of the total portfolio value is with these clients and projects. A limited exposure to clients and projects within an FI's portfolio is when < 20% of the total portfolio value is with these particular clients and projects.
Moderate	**Moderate Risk FIs**: when an FI's existing or proposed future portfolio includes, or is expected to include in the future (including through IFAD's support), significant financial exposure to business activities which are moderately vulnerable to climate-related hazards. This includes FIs with existing or proposed future portfolios that substantially include clients and projects that would be categorized as Moderate Risks as defined in IFAD's climate change categories for direct investments and only a limited number of Substantial Risk clients and projects as defined in IFAD's climate change categories for direct investments. A significant exposure to clients and projects within an FI's portfolio is when > 80% of the total portfolio value is with these clients and projects. A limited exposure to clients and projects within an FI's portfolio is when < 20% of the total portfolio value is with these particular clients and projects.
Low	**Low Risk FIs**: when a FI's existing or proposed future portfolio includes, or is expected to include in the future (including through IFAD's support), significant financial exposure to business activities which are not likely to be vulnerable to climate-related hazards. This includes FIs with existing or proposed future portfolios that substantially include clients and projects that would be categorized as Low Risks as defined in IFAD's climate change for direct investments and only a limited number of Moderate Risk clients and projects as defined in IFAD's climate change categories for direct investments. Examples: microfinance Institutions, digital finance providers, etc. A significant exposure to clients and projects within an FI's portfolio is when > 80% of the total portfolio value is with these clients and projects. A limited exposure to clients and projects within an FI's portfolio is when < 20% of the total portfolio value is with these particular clients and projects.

7. The results of the E&S and climate risk categorization have implications for the next steps of the project cycle. These implications are summarized in figure 2 below. 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. The different methods and tools to carry out the environmental and social assessment and to document the results, including mitigation measures, will reflect and be proportional to the nature and scale of the project (see figure 5 below).

Figure 5. Implications of categorization



8. When the FI or private sector project is initiated by a partner, IFAD will perform additional due diligence only to the extent necessary to complete the environmental and social assessment to meet SECAP requirements. This includes assessing the NSO's capacity to manage the environmental and social impacts that could be generated by the project, including on-lending operations, as necessary. Accordingly, IFAD will review existing Environmental, Social and Climate studies and if it is found that further work is required to meet SECAP standards, the work will be captured in the SECAP review note and will propose terms of reference for the additional studies. When IFAD is the initiating institution, IFAD will ensure that the environmental and social due diligence of the other partner meets SECAP requirements. Accordingly, the PDT will furnish the partner with information to ensure that any gaps identified in the Environmental, Social and Climate studies vis a vis SECAP are adequately addressed. The agreed actions and measures will be captured in the SECAP review note.

9. Supervision missions will closely monitor compliance with ESG. Careful attention should be given to projects classified as “High” and “Substantial” and deemed to require a high level of focus on safeguards compliance and consultation or participatory processes with affected parties or beneficiaries during project implementation. During project implementation, additional actions may be required for projects with unforeseen changes in the project area of influence and/or insufficient environmental and social management provisions stipulated in the original ESCMP. In such cases, IFAD, in consultation with the NSO, may choose to undertake corrective and supplemental supervision actions as necessary.

(hh) **Annex 4. Integrating SECAP Standards in the procurement process of IFAD-funded or -administered projects**

This Annex describes the role of IFAD procurement staff in the planning, design and supervision of IFAD-funded projects from the perspective of ensuring compliance with SECAP's nine standards in the planning and execution of the project's procurement operations. Together with the PDT, IFAD procurement staff will participate (or will be consulted) in the preliminary screening of the proposed project at the Project Concept Stage and the categorization of its risks against the nine SECAP Standards, including identification of the procurement actions needed to address the project's environmental, social and climate risks. This screening is considered a minimum requirement for all projects, including those which do not warrant further analysis, and will result in a Preliminary SECAP Review Note which will be attached to the Project Concept Note to be submitted to OSC.

The next step for compliance with SECAP Standards from a procurement perspective is undertaken during the project design stage and feeds into the preparation of the final SECAP Review Note. For all projects with High or Substantial SECAP risk classification, various studies will be undertaken by the borrower/recipient for scrutiny by IFAD. These studies include, but are not limited to: ESIA/Abbreviated ESIA or ESCMF/Abbreviated ESCMF; and/or Specialist Plans, where relevant, such as RAP/RAF, Indigenous Peoples Plan, FPIC/FPIC Implementation Plan, Pesticide Management Plan, and Cultural Resources Management Plan/Chance Finds. For Moderate Risk projects, only a final SECAP Review Note and ESCMP will be required. For Low Risk projects, no specific environmental and social assessments/studies are stipulated. The objective of these studies and plans is to ensure that the borrower/recipient will design, develop and operate the project(s) in line with SECAP requirements, national laws and regulations and good industry standards. PDT must ensure that all IFAD-funded projects are environmentally sustainable and will contribute to one or more of IFAD's mainstreaming themes: mitigating climate change risks; and promoting sustainable development, gender equity, nutrition and youth employment. From the procurement perspective, this will translate into reflecting the outcome of these studies into the design of the project's procurement arrangements while optimizing the contribution of procurement to the promotion of IFAD's mainstreaming themes.

The enforcement of SECAP Standards has implications for the design, tendering and supervision of the project's procurement arrangements – for example: the preparation of technical specifications; use of IFAD standard bidding documents or national bidding documents supplemented with mandatory SECAP requirements; choice of applicable "value for money" bid evaluation methodology; stipulation of particular/special conditions of contract; and frequency and rigour of the supervision of project implementation. The borrower/partner will require that all contractors/subcontractors and primary suppliers engaged on the project operate in a manner consistent with the requirements of the SECAP Standards as reflected in their respective contracts and the approved winning Contractor's Environmental, Social and Climate Management Plan (CESCMP). The CESCMP must be prepared by the awarded contractor based on the project's ESIA/ESCMF and related overall project's ESCMP prepared by the borrower.

IFAD procurement will follow the specific SECAP requirements indicated in the Table below and thereafter ensure that the borrower/recipient/partner will manage all contractors/vendors

in an effective manner, including in the case of subcontracting by requiring the main contractor to ensure its subcontractors' compliance with SECAP Standards.

SECAP Standard	Procurement issues impacted by the SECAP Standard	SECAP Project Risk Rating			
		High Risk	**Substantial Risk**	**Moderate Risk**	**Low Risk**
Standard 1: Biodiversity Conservation	Technical Specification: Feasibility of prescribing eco-labelled products and legally sourced timber for construction and furniture (certified to be from sustainable forests). Bidding documents to consider eco-label specification as "minimum specification" or alternatively grant technical weight in bid evaluation for eco-labelled products. Bidder Qualifications: previous work experience in similar environments with endangered fauna and flora; especially for High and Substantial Risk contracts. Supervision: Supplemental supervision as relevant.	Contract: Use of IFAD– International Federation of Consulting Engineers (FIDIC) version of contract for International Competitive Bidding (ICB) contracts above USD 5 million. This IFAD document to incorporate: -CESCMP compliant with the borrower-prepared overall project's ESCMP and the Works' Requirements /Specifications -Contractor's Staff Code of Conduct -Contractor Health and Safety Management Plan (HSMP) OR Use of IFAD non-FIDIC bidding document for ICB contracts under USD 5 million; OR borrower's National Bidding Documents (supplemented by SECAP Standards through an Annex*) as per monetary thresholds prescribed in IFAD Procurement Manual & procedures of	Use of same bidding documents for High Risk projects.	Bidding documents will prescribe compliance with national environmental laws supplemented by SECAP Standard 1 requirements as relevant. This is informed by the project's overall ESCMF as prepared by the borrower and accepted by IFAD. Use of IFAD non-FIDIC bidding document for ICB contracts under USD 5 million OR borrower's National Bidding Documents (supplemented by SECAP standards) as per prescribed thresholds in IFAD Procurement Manual & procedures of IFAD Procurement Handbook. The Supplementary SECAP requirements will be in the form of an Annex to the Particular Conditions of contract	Bidding documents will apply national environmental laws. Use of IFAD non-FIDIC bidding document for ICB contracts under USD 5 million OR borrower's National Bidding Documents (supplemented by SECAP standards) as prescribed in IFAD Procurement Manual & Handbook. The Supplementary SECAP requirements will be in the form of an Annex to the Particular Conditions of contract and/or higher Bidders' Qualifications, as relevant.

SECAP Standard	Procurement issues impacted by the SECAP Standard	SECAP Project Risk Rating			
		High Risk	**Substantial Risk**	**Moderate Risk**	**Low Risk**
		the IFAD Procurement Handbook.		and/or higher minimum Bidders' Qualifications, as relevant.	

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SECAP Standard	Procurement issues impacted by the SECAP Standard	SECAP Project Risk Rating			
		High Risk	**Substantial Risk**	**Moderate Risk**	**Low Risk**
Standard 2: Resource Efficiency and Pollution Prevention	Technical Specification: -Use of eco-labelled products minimizes hazardous substances/emissions -Energy-efficient appliances and structures - WHO-FAO codes for safe labelling, packaging, handling, storage, application and disposal of pesticide -Wastewater and solid waste disposal in accordance with national codes. Bid Evaluation: -Consider Life Cycle Costing for energy- intensive equipment purchases -Merit Point System to reward bids offering specifications exceeding the minimum requirements.	Contract: Use of IFAD–FIDIC version of contract for ICB contracts above USD 5 million. This IFAD document to incorporate: -CESCMP compliant with the borrower-prepared overall project's ESCMP and the Works' Requirements -Contractor's Staff Code of Conduct -Contractor HSMP Use of IFAD non-FIDIC bidding document for contracts under USD 5 million; OR borrower's National Bidding Documents (supplemented by SECAP standards as an Annex*) as prescribed in IFAD Manual & procedures prescribed in IFAD Procurement Handbook.	Use of same bidding documents for High Risk projects.	Bidding Documents will prescribe compliance with national environmental laws supplemented by SECAP Standard 2 requirements as relevant. This is informed by the project's overall ESCMF as prepared by the borrower and accepted by IFAD. Use of IFAD non-FIDIC bidding document for ICB contracts under USD 5 million OR borrower's National Bidding Documents (supplemented by SECAP standards) as prescribed in IFAD Manual & procedures of the IFAD Procurement Handbook. The Supplementary SECAP requirements will be in the form of an Annex to the Particular Conditions of contract and/or higher Bidders'	Bidding Documents will prescribe national environmental laws. Use of IFAD non-FIDIC bidding document for ICB contracts under USD 5 million USD OR borrower's National Bidding Documents (supplemented by SECAP standards) as prescribed in IFAD Procurement Manual & procedures of IFAD Handbook. The Supplementary SECAP requirements will be in the form of an Annex to the Particular Conditions of contract and/or higher Bidders' Qualifications, as relevant.

SECAP Standard	Procurement issues impacted by the SECAP Standard	SECAP Project Risk Rating			
		High Risk	Substantial Risk	Moderate Risk	Low Risk
				Qualifications, as relevant.	

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SECAP Standard	Procurement issues impacted by the SECAP Standard	SECAP Project Risk Rating			
		High Risk	**Substantial Risk**	**Moderate Risk**	**Low Risk**
Standard 3: Cultural Heritage	Technical Specifications: -Encourage use of local knowledge (intangible heritage). Bidder Qualifications: previous work experience in similar projects in the vicinity or likelihood of presence of tangible heritage sites. Conditions of Contract: -Incorporate safeguards to protect “chance finds”. Supervision: Supplemental supervision as relevant.	Contract: Use of IFAD–FIDIC version of contract for ICB contracts above USD 5 million. This IFAD document to incorporate: -CESCMP compliant with the borrower-prepared overall project’s ESCMP and the Works’ Requirements -Contractor’s Staff Code of Conduct -Contractor HSMP Use of IFAD non-FIDIC bidding document for contracts under USD 5 million USD OR borrower’s National Bidding Documents (supplemented by SECAP standards as an Annex*) as per thresholds prescribed in IFAD Manual & procedures of IFAD Procurement Handbook.	Use of same bidding documents for High Risk projects.	Bidding Documents will prescribe Compliance with National laws pertaining to cultural heritage supplemented by SECAP Standard 3 requirements as relevant. This is informed by the project’s overall ESCMF as prepared by the borrower and accepted by IFAD. Use of IFAD non-FIDIC bidding document for ICB contracts under USD 5 million; OR borrower’s National Bidding Documents (supplemented by SECAP standards) as per thresholds prescribed in IFAD Manual & procedures in IFAD Procurement Handbook. The Supplementary SECAP requirements will be in the form of an Annex to the Particular Conditions of contract and/or higher Bidders’	Bidding Documents will prescribe National laws pertaining to cultural heritage supplemented by SECAP Standard 3 requirements, as relevant. Use of IFAD non-FIDIC bidding document for ICB contracts under USD 5 million; OR borrower’s National Bidding Documents (supplemented by SECAP standards) as per threshold prescribed in IFAD Manual & procedures of IFAD Procurement Handbook. The Supplementary SECAP requirements will be in the form of an Annex to the Particular Conditions of contract and/or higher Bidders’ Qualifications, as relevant.

SECAP Standard	Procurement issues impacted by the SECAP Standard	SECAP Project Risk Rating			
		High Risk	Substantial Risk	Moderate Risk	Low Risk
				Qualifications, as relevant.	

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SECAP Standard	Procurement issues impacted by the SECAP Standard	SECAP Project Risk Rating			
		High Risk	**Substantial Risk**	**Moderate Risk**	**Low Risk**
Standard 4: Indigenous Peoples and Historically Underserved Local Communities	Technical Specifications: -Procurement packaging allows direct contracting with communities or through local NGOs using appropriate indigenous technology and local materials where feasible. Bidder Qualifications: previous work experience in similar environments with indigenous populations, especially in High & Substantial Risk projects. Contract Conditions: -Works' commencement conditional to satisfactory implementation by borrower of RAP as certified by the supervision engineer -Contract provides for pay-back to the community in some form against the use of the community's traditional knowledge -Easily accessible grievance mechanism in indigenous language. Supervision: Supplemental supervision as relevant.	Contract: Use of IFAD–FIDIC version of contract for ICB contracts above USD 5 million. This IFAD document to incorporate: -CESCMP compliant with the Borrower-prepared overall project's ESCMP and the Works' Requirements -Contractor's Staff Code of Conduct -Contractor HSMP. Use of IFAD non-FIDIC bidding document for contracts under USD 5 million; OR borrower's National Bidding Documents (supplemented by SECAP standards as an Annex*) as per thresholds prescribed in IFAD Procurement Manual & procedures of IFAD Handbook.	Use of same bidding documents for High Risk projects.	Bidding Documents will prescribe compliance with national laws pertaining to indigenous peoples and historically underserved local communities supplemented by SECAP Standard 4 requirements, as relevant. This is informed by the project's overall ESCMP/ESCMF as prepared by the borrower and accepted by IFAD. Use of IFAD non-FIDIC bidding document for ICB contracts under USD 5 million; OR borrower's National Bidding Documents (supplemented by SECAP standards) as per thresholds prescribed in IFAD Manual& procedures of IFAD Procurement Handbook. The Supplementary SECAP requirements will be in	Bidding Documents will prescribe national laws pertaining to indigenous peoples and historically underserved local communities supplemented by SECAP Standard 4 requirements as relevant. Use of IFAD non-FIDIC bidding document for ICB contracts under USD 5 million; OR borrower's National Bidding Documents (supplemented by SECAP standards) as per thresholds prescribed in IFAD Manual & procedures of IFAD Procurement Handbook. The Supplementary SECAP requirements will be in the form of an Annex to the Particular Conditions of contract and/or higher Bidders'

SECAP Standard	Procurement issues impacted by the SECAP Standard	SECAP Project Risk Rating			
		High Risk	**Substantial Risk**	**Moderate Risk**	**Low Risk**
				the form of an Annex to the Particular Conditions of contract and/or higher Bidders' Qualifications, as relevant.	Qualifications, as relevant.

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SECAP Standard	Procurement issues impacted by the SECAP Standard	SECAP Project Risk Rating			
		High Risk	**Substantial Risk**	**Moderate Risk**	**Low Risk**
Standard 5: Labour and Working Conditions	Bidder Qualifications: No previous convictions for infringement of labour laws for all project risk classifications. Bid Evaluation: -IFAD mainstreaming theme: Employment and on-the-job skills training for unemployed youth and women above x % (say 5%) of the contractor workforce will be rewarded through technical merit points in bid evaluation -Quality of contractor's HSMP will be rewarded through technical perit points in bid evaluation. Both of the above can receive up to 5 out of 100 merit points (95 points being for bid price). Contract Conditions: -Respect of ILO core labour standards (No child or forced labour; equal opportunity & non-discrimination & freedom of association) - Contractor to establish alternative mechanisms for its workers' grievances in case national labour laws	Contract: Use of IFAD–FIDIC version of contract for ICB contracts above USD 5 million. This IFAD document to incorporate: -CESCMP compliant with the borrower-prepared overall project's ESCMP and the Works' Requirements -Contractor's Staff Code of Conduct -Contractor HSMP. Use of IFAD non-FIDIC bidding document for contracts under USD 5 million; OR borrower's National Bidding Documents (supplemented by SECAP standards as an Annex*) as prescribed in IFAD Manual & procedures of IFAD Procurement Handbook.	Use of same bidding documents for High Risk projects.	Bidding Documents will prescribe compliance with national labour laws supplemented by SECAP Standard 5 requirements, as relevant. This is informed by the project's overall ESCMF as prepared by the borrower and accepted by IFAD. Use of IFAD non-FIDIC bidding document for ICB contracts under USD 5 million; OR borrower's National Bidding Documents (supplemented by SECAP standards) as per thresholds prescribed in IFAD Manual & procedures of IFAD Procurement Handbook. The Supplementary SECAP requirements will be in the form of an Annex to the Particular Conditions of contract and/or higher Bidders'	Bidding Documents will prescribe compliance with national labour laws supplemented by SECAP Standard 5 requirements, as relevant. Use of IFAD non-FIDIC bidding document for ICB contracts under USD 5 million; OR borrower's National Bidding Documents (supplemented by SECAP standards) as per thresholds prescribed in IFAD Manual & procedures of IFAD Procurement Handbook. The Supplementary SECAP requirements will be in the form of an Annex to the Particular Conditions of contract and/or higher Bidders' Qualifications, as relevant.

SECAP Standard	Procurement issues impacted by the SECAP Standard	SECAP Project Risk Rating			
		High Risk	Substantial Risk	Moderate Risk	Low Risk
	impose restriction on freedom of association -Decent wages compatible with similar wages/occupation in the region -Requirement for contractor's HSMP -Main contractor to impose identical labour working conditions on its subcontractors and other suppliers -Mechanism by which the borrower is entitled to pay subcontractors directly in case of unjustifiable delayed payments to them by the main contractor -Accident reporting including infringements of the contractor's Code of Conduct by its staff.			Qualifications, as relevant.	

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SECAP Standard	Procurement issues impacted by the SECAP Standard	SECAP Project Risk Rating			
		High Risk	**Substantial Risk**	**Moderate Risk**	**Low Risk**
Standard 6: Community Health and Safety	Technical Specifications: -Contractor's HSMP to include safe disposal of construction waste and workers' camps waste, mitigation of risks to the community resulting from the contractor's work, safety of deliveries and transportation, and disposal of hazardous materials and wastes -Contractor's HSMP to incorporate emergency-preparedness against natural or human hazards. Contract Conditions: -Upkeep & prevention of damage to Site access roads - Gender-based violence, sexual harassment, and sexual exploitation and abuse will lead to an employee's termination of contract under the contractor's Code of Conduct	Contract: Use of IFAD–FIDIC version of contract for ICB contracts above USD 5 million. This IFAD document to incorporate: -CESCMP compliant with the borrower-prepared overall project's ESCMP and the Works' Requirements -Contractor's Staff Code of Conduct -Contractor HSMP. Use of IFAD non-FIDIC bidding document for contracts under 5 million USD; OR borrower's National Bidding Documents (supplemented by SECAP standards as an Annex*) as prescribed in IFAD Manual & procedures of IFAD Procurement Handbook.	Use of same bidding documents for High Risk projects.	Bidding Documents will prescribe compliance with national health & safety rules supplemented by SECAP Standard 6 requirements, as relevant. This is informed by the project's overall ESCMF as prepared by the borrower and accepted by IFAD. Use of IFAD non-FIDIC bidding document for ICB contracts under USD 5 million; OR borrower's National Bidding Documents (supplemented by SECAP standards) as per thresholds prescribed in IFAD Manual & procedures of IFAD Procurement Handbook. The Supplementary SECAP requirements will be in the form of an Annex to the Particular Conditions of contract and/or higher Bidders'	Bidding Documents will prescribe compliance with national health & safety rules supplemented by SECAP Standard 6 requirements, as relevant. Use of IFAD non-FIDIC bidding document for ICB contracts under USD 5 million USD; OR borrower's National Bidding Documents (supplemented by SECAP standards) as per thresholds prescribed in IFAD Manual & procedures of IFAD Procurement Handbook. The Supplementary SECAP requirements will be in the form of an Annex to the Particular Conditions of contract and/or higher Bidders' Qualifications, as relevant.

SECAP Standard	Procurement issues impacted by the SECAP Standard	SECAP Project Risk Rating			
		High Risk	Substantial Risk	Moderate Risk	Low Risk
	-Influx of workers from outside project area limited to the minimum necessary -Periodic reporting of accidents/infringements.			Qualifications, as relevant.	

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SECAP Standard	Procurement issues impacted by the SECAP Standard	SECAP Project Risk Rating			
		High Risk	**Substantial Risk**	**Moderate Risk**	**Low Risk**
Standard 7: Physical and Economic Resettlement	This an issue of project design, but the use of IFAD standard bidding documents will ensure compliance with the overall range of SECAP Standards. Contract Conditions: -Works' commencement conditional to satisfactory implementation by borrower of RAP as certified by the supervision engineer.	Works' Contract: Use of IFAD–FIDIC version of contract for ICB contracts above USD 5 million. This IFAD document to incorporate: -CESCMP compliant with the Borrower-prepared overall project's ESCMP and the Works' Requirements -Contractor's Staff Code of Conduct -Contractor HSMP. Use of IFAD non-FIDIC bidding document for contracts under USD 5 million USD; OR National Bidding Documents (supplemented by SECAP standards as an Annex*) as prescribed in IFAD Manual & procedures of IFAD Procurement Handbook.	Use of same bidding documents for High Risk projects.	Bidding Documents will prescribe compliance with national rules on physical & economic resettlement supplemented by SECAP Standard 7 requirements, as relevant. This is informed by the project's overall ESCMP/ESCMF as prepared by the borrower and accepted by IFAD. Use of IFAD non-FIDIC bidding document for ICB contracts under USD 5 million; OR borrower's National Bidding Documents (supplemented by SECAP standards) as per thresholds prescribed in IFAD Manual & procedures of IFAD Procurement Handbook. The Supplementary SECAP requirements will be in the form of an Annex to the Particular	Bidding Documents will prescribe compliance with national rules on physical & economic resettlement supplemented by SECAP Standard 7 requirements, as relevant. Use of IFAD non-FIDIC bidding document for ICB contracts under USD 5 million; OR borrower's National Bidding Documents (supplemented by SECAP standards) as per thresholds prescribed in IFAD Manual & procedures of IFAD Procurement Handbook. The Supplementary SECAP requirements will be in the form of an Annex to the Particular Conditions of contract and/or higher Bidders' Qualifications, as relevant.

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SECAP Standard	Procurement issues impacted by the SECAP Standard	SECAP Project Risk Rating			
		High Risk	Substantial Risk	Moderate Risk	Low Risk
				Conditions of contract and/or higher Bidders' Qualifications, as relevant.	

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SECAP Standard	Procurement issues impacted by the SECAP Standard	SECAP Project Risk Rating			
		High Risk	**Substantial Risk**	**Moderate Risk**	**Low Risk**
Standard 8: Financial Intermediaries (FIs)	FI's qualifications through short-listing applicable to all risk classification levels of the project. Short-listing of potential FIs to ensure: -Quality of the respective FI ESMS system for screening of its financial intermediation services that will demonstrate that the FI will be/is capable of assuming delegated responsibility for environmental and social assessment, risk management and monitoring as well as overall portfolio management b) FI has capacity to continuously monitor its on-lending and respond to accidental and emergency situations regarding the FI´s own operations c) FI will submit, in a form acceptable to IFAD, annual environmental and social reports on the implementation of its ESMS and its on-lending operations.	Use of IFAD standard consultancy contract with customization, as relevant, in the Special Conditions of contract to suit the project's context and the borrower's overall ESCMP plan for the project.	Use of national or IFAD standard consultancy contract with customization, as relevant, in the Special Conditions of contract to suit the project's context and the borrower's overall ESCMP plan for the project.	Use of national or IFAD standard consultancy contract with customization, as relevant, in the Special Conditions of contract to suit the project's context and the borrower's overall ESCMP/ESCMF.	Use of national standard consultancy contract with customization, as relevant, in the Special Conditions of contract to suit the project's context and the borrower's overall ESCMF.

SECAP Standard	Procurement issues impacted by the SECAP Standard	SECAP Project Risk Rating			
		High Risk	Substantial Risk	Moderate Risk	Low Risk

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SECAP Standard	Procurement issues impacted by the SECAP Standard	SECAP Project Risk Rating			
		High Risk	**Substantial Risk**	**Moderate Risk**	**Low Risk**
Standard 9: Climate Change	This an issue of project design and optimal project site positioning, but the use of IFAD standard bidding documents will ensure compliance with the overall range of SECAP standards since this is a cross-cutting standard. Technical Specifications and Bid Evaluation criteria to consider: -Respect for biodiversity, resource efficiency and reduction of GHG emissions -Climate vulnerability of the source of income of project beneficiaries -Use of green technologies -Safeguards against flooding & extreme weather.	Works' Contract: Use of IFAD–FIDIC version of contract for ICB contracts above USD 5 million. This IFAD document to incorporate: -CESCMP compliant with the borrower-prepared overall project's ESCMP and the Works' Requirements -Contractor's Staff Code of Conduct -Contractor HSMP. Use of IFAD non-FIDIC bidding document for contracts under USD 5 million; OR borrower's National Bidding Documents (supplemented by SECAP standards as an Annex*) as prescribed in IFAD Manual & procedures of IFAD Procurement Handbook.	Use of same bidding documents for in High Risk projects	Bidding Documents will prescribe compliance with national environmental and labour and economic & physical resettlement laws supplemented by SECAP Standards' requirements, as relevant. This is informed by the project's overall ESCMP/ESCMF as prepared by the borrower and accepted by IFAD. Use of IFAD non-FIDIC bidding document for ICB contracts under USD 5 million; OR Borrower's National Bidding Documents (supplemented by SECAP standards) as per thresholds prescribed in IFAD Manual & procedures of IFAD Procurement Handbook. The Supplementary SECAP requirements will be in the form of an Annex*.	Bidding Documents will prescribe compliance with national environmental and labour and economic & physical resettlement laws supplemented by SECAP Standards' requirements as relevant. Use of IFAD non-FIDIC bidding document for ICB contracts under USD 5 million; OR borrower's National Bidding Documents (supplemented by SECAP standards) as per thresholds prescribed in IFAD Manual & procedures of IFAD Procurement Handbook. The Supplementary SECAP requirements will be in the form of an Annex*.

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Remark 1: IFAD Standard Bidding Documents incorporate compliance with the nine SECAP standards but project-specific customisation will be needed in the Special/Particular Conditions of Contract and the requirement of a separate Environmental & Social Performance Security and/or the imposition of penalties on the contractor against its infringement of specified environmental and social standards' requirements. These penalties are in accordance with the supervision Engineer's determinations on case by case basis.

Remark 2: Where IFAD accepts the application of National Procurement Systems, the borrower will be required, in the case of prior review, to submit to IFAD the national bidding documents prepared by the borrower for execution of the procurement in order for IFAD to verify if said documents are in compliance with SECAP standards. IFAD will issue No-Objection in the case of compliance or withhold such No-Objection until remedial measures are taken by the borrower to bring the bidding documents into compliance with SECAP requirements. The procurement Plan of the project will indicate the type of review that will be undertaken by IFAD (prior or post review). In the case of post review, IFAD will review the borrower's procurement operations during the supervision missions or through an independent ex-post procurement audit.

Remark 3: SECAP Standards are equally applicable to the subcontractors/suppliers of the main contractor who signed the contract with the borrower and must pass-on their E&S obligations into the contracts signed with their respective sub-contractors and suppliers/consultants.

***Remark 4:** The Annex to the Particular Conditions of contract will include applicable extracts of IFAD standard contract clauses. In case higher bidders' qualifications and past experience are called for as a safeguard to ensure contractors' compliance with SECAP standards during contract execution then these will have to be decided on case by case basis. It being understood that the Technical Specifications prepared by the borrower (or its engineering design consultants) must meet the SECAP standards' respective requirements.

(ii) Annex 5. IFAD Environmental and Social Exclusion list

IFAD will not knowingly finance, directly or indirectly, projects involving the following:

i) Production or activities involving harmful or exploitative forms of forced labour[119] or practices which prevent employees from lawfully exercising their rights of association and collective bargaining
ii) Production or activities involving harmful or exploitative forms of child labour[120]
iii) Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples
iv) Activities prohibited by host country legislation or international conventions relating to the protection of biodiversity resources or cultural heritage or other legally protected areas[121]
v) The production or trade in, or use of, any product or activity deemed illegal under host country (i.e. national) laws or regulations, or international conventions and agreements, or subject to international phase out or bans, such as:
    a. Products containing polychlorinated biphenyls (PCBs)
    b. Pharmaceuticals, pesticides/herbicides and other hazardous substances subject to international phase-outs or bans[122]
    c. Ozone depleting substances subject to international phase regulated by the Montreal Protocol[123]
    d. Wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)[124]
    e. Transboundary trade in waste or waste products as defined by the Basel Convention[125]
vi) Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests or old-growth forests
vii) Production or trade in wood or other forestry products other than from sustainably managed forests

[119] Forced labour is work exacted under the threat of penalty and for which the person has not offered himself or herself voluntarily. Forced labour can involve practices such as threats of dismissal or physical violence, the withholding of identity documents or wages, threats to denounce workers to immigration authorities where their status is illegal, or entangling workers in fraudulent debt.

[120] Child labour includes (i) labour below the Host country's minimum age of employment and (ii) any other work that may be hazardous, may interfere with the child's education, or may be harmful to the child's health or to the child's physical, mental, spiritual, moral, or social development. However, if the laws or regulations of the country in which the Project is located provide, in conformity with the International Labour Organization's Minimum Age Convention, 1973, that children at least 16 years of age may be employed for such work on condition that their health, safety and morals are fully protected and that they have received adequate specific instruction or vocational training in the relevant branch of activity, then child labour means employment of children for work that does not comply with these laws and regulations.

[121] Relevant international conventions include, without limitation: Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention); Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention); Convention on the Conservation of European Wildlife and Natural Habitats (Bern Convention); World Heritage Convention; Convention on Biological Diversity.

[122] Relevant international conventions include, without limitation: UN Consolidated List of Products whose Consumption and/or Sale have been Banned, Withdrawn, Severely Restricted or not Approved by Governments; Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention); Stockholm Convention on Persistent Organic Pollutants; WHO Classification of Pesticides by Hazard. A list of pesticides, herbicides and other hazardous substances subject to phase outs or bans is available at http://www.pic.int

[123] A list of the chemical compounds regulated by the Montreal Protocol, together with details of signatory countries and phase out target dates, is available from the United Nations Environment Programme, http://www.unep.org/ozone/montreal.shtml.

[124] A list of CITES listed species is available from the CITES secretariat, http://www.cites.org.

[125] See http://www.basel.int.

viii) Production or trade in distilled alcoholic beverages, tobacco or drugs
ix) Marine and coastal fishing practices, such as blast fishing, large-scale pelagic drift net fishing using nets in excess of 2.5 km in length or fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats
x) Trade in goods without required export or import licenses or other evidence of authorization of transit from the relevant countries of export, import and, if applicable, transit
xi) Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals (including gasoline, kerosene, and other petroleum products)
xii) Production of, trade in, or use of unbounded asbestos fibres
xiii) All mining, mineral processing and extraction activities
xiv) Production or trade in radioactive materials[126]
xv) Gambling, casinos and equivalent enterprises, trade related to pornography or prostitution
xvi) Contribute to money laundering, terrorism financing, tax avoidance, tax fraud and tax evasion;
xvii) Production and distribution, or investment in, media that are racist, antidemocratic or that advocate discrimination against an individual, group or part of the population;
xviii) Activities prohibited by host country legislation or other legally binding agreements regarding GMOs;
xix) Production of or trade in palm oil unless from growers and companies with internationally recognised certification[127], or undergoing certification
xx) Production of soy in the Amazon region or trade in soy produced in the Amazon region, unless from growers with internationally recognised certification[128]

[126] This does not apply to the purchase of medical or veterinary equipment, quality control (measurement) equipment and any similar equipment where the radioactive source is trivial and/or adequately shielded.
[127] For example Round Table on Sustainable Palm Oil (RSPO)
[128] For example Round Table on Responsible Soy Association (RTRS)

Updated Social, Environmental, and Climate Assessment Procedures

Volume 2

DRAFT of 8 OCTOBER 2020

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Guidance Note 1: Biodiversity conservation

G. 1. Introduction

Human survival and well-being depend on biodiversity and healthy ecosystems and the goods and services they provide. Yet, in recent decades the world has experienced unprecedented biodiversity loss and ecosystem degradation.[1, 2] Key drivers of biodiversity loss include[3]:

- Habitat conversion, fragmentation, degradation and isolation through changes to land use or land cover and land disturbance;
- Unsustainable extraction or harvesting (overexploitation) of species and unsustainable utilization of other natural resources such as water, land and forest;
- Pollution (e.g. emissions, effluents, chemicals);
- Hydrological changes from interference with water recharging and river flow regimes;
- Nutrient loading through intensified agricultural activities;
- Introduction of invasive alien species;
- Monoculture farming.

The loss of ecosystems and biodiversity is a challenge for us all, but it is a particular challenge for many of the world's poor who depend directly on nature for food, clean water, fuel, medicine, shelter and resilience to climate change and natural disasters. Biodiversity loss and ecosystem change impact human health and well-being, including through increased risk of emergence or spread of infectious diseases in animals, plants and humans[4] and an increased risk of pandemics.[5] Conserving biodiversity, maintaining ecosystem services[6] and sustainably managing natural resources are fundamental to sustainable development.

This guidance note provides information and guidance on addressing SECAP standard 1 'Biodiversity Conservation' requirements during programme and project design and implementation. It has been prepared to assist IFAD's project delivery teams (PDTs) and borrowers/recipients/partners with advice on how to systematically identify, prevent or mitigate potential impacts and risks related to biodiversity conservation within the screening, assessment and management steps outlined in IFAD's Social, Environmental and Climate Assessment Procedures (SECAP).[7]

This guidance note is designed as a concise "where to" guide that helps users find appropriate external guidance to help them through the requirements of standard 1. Section 2 of this guidance note provides an overview of the key process steps for addressing the standard 1 requirements and summarizes the roles and responsibilities of PDTs and borrowers/recipients/partners. Section 3 provides an introduction to and cross-referencing of requirements for each standard 1 screening question. Section 4[8] provides a discussion of key

[1] Convention on Biodiversity, *Global Biodiversity Outlook 3* (Montreal, Canada: Secretariat of the Convention on Biological Diversity, 2010).
[2] United Nations Environment Programme, *GEO5: Global Environment Outlook: Environment for the future we want* (Nairobi: UNEP, 2012).
[3] Adapted from: UNDP (2017), Guidance Note, UNDP Social and Environmental Standards, Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management. New York, United States.
[4] See Convention on Biological Diversity, "Health and Biodiversity." CBD. https://www.cbd.int/health.
[5] World Wide Fund for Nature, The Loss of Nature and the Rise of Pandemics: Protecting human and planetary health (Gland, Switzerland: WWF, 2020), https://wwfeu.awsassets.panda.org/downloads/the_loss_of_nature_and_rise_of_pandemics___protecting_human_and_planetary_health.pdf.
[6] See annex I for an indicative list of ecosystem services.
[7] IFAD, *Social, Environmental and Climate Assessment Procedures: Volume 1* (Rome: IFAD, 2020). [INSERT LINK WHEN AVAILABLE].
[8] Section 4 largely builds upon the UNDP Guidance Note on Biodiversity Conservation and Sustainable Natural Resource Management (2017)

issues related to addressing each of the specific standard 1 requirements. The note concludes with a short section on relevant standard 1 monitoring issues (section 5).

H. 2. Key steps and roles and responsibilities

Table 1 presents a short overview of key process steps for addressing the requirements of Social, Environmental and Climate Standard 1: Biodiversity conservation.

Table 1

Quick overview of key steps for addressing the requirements of Social, Environmental and Climate Standard 1: Biodiversity conservation

Screen potential risks

- Screen proposed projects using the SECAP screening checklist to identify potential adverse impacts on biodiversity.
- Categorize project risk (low/moderate/substantial/high).
- Develop a stakeholder engagement plan and start early consultation to identify options to avoid potential adverse impacts (substantial- and high-risk projects).

Assess potential risks and impacts

- For substantial- and high-risk projects, assess direct and indirect adverse impacts on biodiversity.
- If screening has triggered the requirements of this standard then a biodiversity impact assessment or enhanced considerations of Biodiversity into the EIA will be required.[a] Produce a full environmental and social framework or environmental and social impact assessment for potential high-risk and substantial-risk projects.
- For moderate-risk projects, prepare an environmental and social management plan. Low-risk projects do not require formal assessment, but may need to meet the requirements of codes of practice.
- Utilize relevant expertise and ensure biodiversity impacts are assessed at appropriate geographic scale.
- Ensure that the level of stakeholder engagement is at a scale appropriate to potential risks/impacts.

Mitigate, manage and monitor risks and impacts

- For moderate-, substantial- and high-risk projects, apply the precautionary principle and follow the mitigation hierarchy.[b]
- Develop a management plan that reflects relevant requirements of standard 1. Where specific details and sites of proposed projects are not yet fully defined, develop a management framework. The scale of the plan will vary depending on the nature and magnitude of potential risks and impacts.
- Monitor all mitigation measures and biodiversity actions.

[a] See Edilegnaw Wale and Asmare Yalew, "On biodiversity impact assessment: the rationale, conceptual challenges and implications for future EIA," *Impact Assessment and Project Appraisal* 28, no. 1 (March 2010): 3–13.

[b] The mitigation hierarchy is applied by (a) anticipating and avoiding risks and impacts; (b) where avoidance is not possible, minimizing or reducing risks and impacts; (c) once risks and impacts have been minimized or reduced, mitigating them; and (d) where residual adverse impacts remain, compensating for or offsetting them, where technically and financially feasible.

2.1 SECAP roles and responsibilities

The roles and responsibilities outlined in table 2 describe the major functions of IFAD PDTs and the borrower/recipient/partner in the SECAP process during project identification, preparation and implementation.[9]

[9] For further information, see IFAD, *Social, Environmental and Climate Assessment Procedures Volume 1, Section 3*

Table 2

Roles and responsibilities of IFAD project delivery teams and the borrower/recipient/partner in the social, environmental and climate assessment procedures process

Project stage	*IFAD PDT*	*Borrower/recipient/partner*
Identification, preparation and development	• Overseeing application of SECAP processes, including gender mainstreaming. • Screening projects to determine if they trigger all safeguard standards, including whether a full or abbreviated ESIA is required. • In addition to the environmental and social screening and categorization process, a parallel exercise should be undertaken by PDTs to determine the exposure and sensitivity of the project objectives to climate-related risks, based on available information about historic climate-hazard occurrences, current climate trends and future climate-change scenarios. • Reviewing and assessing the ESIA terms of reference, the ESIA document/report and project-level plans, including the adequacy of the assessment of project impacts and the proposed measures to address issues to ensure they meet applicable safeguard standards, prior to project approval. • Approving project concept based on a determination that safeguard issues have been adequately addressed. If adverse environmental or social impacts outweigh the expected benefits, IFAD shall not support the project. • Disclosing of ESIA and project-level plans through the IFAD website.	• Providing accurate, reliable and timely information required in the SECAP screening checklist. • Designing, planning and preparing project concepts and proposals according to SECAP requirements. • The costs for preparing the (abbreviated) background studies (feasibility studies, ESIAs, RAF/RAP, etc.) will be financed by the borrower/recipient/partner. Upon a written request by the borrower/recipient/partner, studies and assessments may be financed through the Faster Implementation of Project Start-up instrument. For project-level assessments ((abbreviated) ESCMF, ESCMP, ESIA, RAF/RAP, FPIC plan, indigenous peoples plans, environment and social audit and/or ex post ESIA, as required) undertaken during project implementation, the associated costs will be included in the project cost, including the cost for ensuring meaningful community participation. • Overseeing the ESIA process, and preparation of project management plans resulting from application of the standards and requirements of SECAP. • Implementing all required consultations with project stakeholders, including informing affected communities and explaining the project to them; incorporating feedback from and changes agreed with them; and obtaining and documenting their free, prior and informed consent.
Implementation	• Reviewing and monitoring of implementation of financial, technical and project-level plans, including through project kick-off/launch workshops, supervision missions, midterm reviews, field visits, audits and follow-up visits as appropriate to the scale, nature and risks of the project. • Working with the borrower/recipient/partner to identify and plan for corrective measures that achieve the results and uphold the safeguard standards expected under each project in cases when a project review finds that the borrower/recipient/partner is not	• Executing project management plans and monitoring the effectiveness of risk mitigation measures; ensuring compliance with and adherence to all safeguards outlined in each of the plans, and undertaking corrective measures in cases where plans have not been executed satisfactorily or where negative or adverse impacts have arisen despite efforts to adhere to project plans. • Informing project-affected local authorities, other stakeholders and IFAD on project progress and on any unexpected and unintended events affecting those communities, in accordance with project-level plan requirements and the project's agreed-upon reporting schedule.

Project stage	*IFAD PDT*	*Borrower/recipient/partner*
	following project-level plans (i.e. any of the safeguard-related management plans required). If these measures do not succeed in correcting the deficiencies, IFAD may withhold payment or suspend or cancel the grant/loan, as appropriate. • Disclosing completed project evaluations and results through the IFAD website (following donor acceptance, and subject to exclusion of proprietary and personal information).	• Incorporating feedback from project-affected parties and providing and documenting the process to obtain their free, prior and informed consent to any changes in the project plan. • Producing a project completion report to document safeguard monitoring.

ESCMF = environmental, social and climate management framework; ESCMP = environmental, social and climate management plan; ESIA = environmental and social impact assessment; FPIC = free, prior and informed consent; PDT = project delivery team; RAF = resettlement action framework; RAP = resettlement action plan; SECAP = Social, Environmental and Climate Assessment Procedures

2.2 Objectives and requirements

The requirements set out in Standard 1: Biodiversity conservation of SECAP are designed to achieve the following objectives:

- Maintain and conserve biodiversity;
- Preserve the integrity of ecosystems;
- Maintain and enhance the benefits of ecosystem services;
- Adopt the use of a precautionary approach to biodiversity conservation and ensure opportunities for environmentally sustainable development;
- Ensure the fair and equitable sharing of the benefits from the utilization of genetic resources; and
- Respect, preserve, and maintain knowledge, innovations and practices of indigenous peoples and historically underserved local communities, and local communities relevant to the conservation and sustainable use of biodiversity and their customary use of biological resources.

The main role of this safeguard standard is to avoid or, if avoidance is not possible, minimize and mitigate potential adverse social and environmental impacts on biodiversity and ecosystem services associated with project-related activities. This can be seen through the promotion and requirements on the “use of a precautionary approach” as outlined throughout standard 1, and more specifically in paragraph 6 of the standard. Requirements of Standard 1 address risks to biodiversity and ecosystem types, with increasing stringency depending on risk levels and biodiversity values of project areas.

Requirements of Standard 1 are also to be considered and addressed in an integrated manner (e.g. together with risks associated with other safeguard standards) during (a) the screening process, (b) social and environmental assessment, and (c) during the development and implementation of any needed mitigation measures and management plans.

Before addressing the specific screening questions and requirements of standard 1, the following section discusses key concepts and definitions.

I. 3. Screening

The requirements of standard 1 are to be considered and addressed in an integrated manner during the screening process, utilizing the screening checklist to identify if the project presents

any potential significant impacts and risks related to biodiversity and ecosystem services. If substantial or high risks are identified during screening, then relevant standard 1 requirements need to be addressed in project design and implementation, including as part of overall impact assessment, management and mitigation and monitoring activities.

Screening helps to determine whether threats to biodiversity will be a major project issue and, if so, what features should be studied and assessed. Project location and types of activities need to be carefully reviewed. Examples of red flags that may indicate potential major biodiversity issues include project sites within, partly within, adjoining or upstream of protected areas; medium- to large-scale land-use conversion (e.g. agriculture, forest plantations); activities that may convert, fragment or degrade natural habitat; and introduction of alien species into the project area.

As a first step, the PDT should determine whether its project has the potential to result in significant adverse impacts to biodiversity (and therefore whether standard 1 is relevant). This will be done through the use of the screening checklist. An initial trigger question will be used to determine whether standard 1 is relevant for a given project. If a project/programme does trigger standard 1, succeeding question will be required to be answered in detail. Each screening question will need to be assessed with regards to the significance and likelihood of a given risk/impact and will be associated with a given study/mitigation measure that must be included in an environmental, social and climate management plan (ESCMP).

If relevant, initial biodiversity screening should use existing data and resources to identify biodiversity of concern, particularly priority biodiversity features and critical habitats, and/or potential gaps in information that may need to be filled.

Table 3 provides some cross-referencing of SECAP biodiversity conservation screening questions and sections of this guidance note.

Table 3

SECAP biodiversity conservation screening questions and standard 1 requirements

SECAP biodiversity conservation screening questions[a]	*Reference to key standard 1 requirements and sections of this guidance note*
Would the project potentially involve or lead to:	
1. Conversion or degradation of biodiversity, habitats (including modified habitat, natural habitat and critical natural habitat) and/or ecosystems and ecosystem services?	Paras. 5, 6, 7, 8, 9, 12, 13,
2. Activities involving habitats that are legally protected, officially proposed for protection or recognized as protected by traditional local communities and/or authoritative sources (e.g. national park, Nature Conservancy, indigenous community conserved area, etc.)?	Para. 5, 6, 7, 12, 13
3. An increase in the change of human-wildlife encounters/conflict?	Paras. 5, 6, 7
4. Risks to endangered species (e.g. reduction, encroachment on habitat)?	Para. 5, 6, 7, 13,
5. Any impacts/risks to migratory wildlife?	Para. 5, 6, 7, 13,
6. Introduction or utilization of any invasive alien species of flora and fauna, whether accidental or intentional?	Para. 10
7. Handling or utilization of genetically modified organisms?	Paras. 9
8. Procurement through primary suppliers of natural resource materials?	Para. 14

[a] Note: the requirements of standard 1 are interrelated and multiple requirements may apply to any one of the SECAP risk screening questions. However, to facilitate addressing the SECAP screening questions, key relevant standard 1 requirements are highlighted here.

J. 4. Addressing biodiversity conservation requirements in assessment and management planning

If screening indicates that standard 1: Biodiversity conservation is applicable to the project, potential impacts on biodiversity, ecosystems and ecosystem services need to be examined as an integral part of assessing the project's full range of potential adverse social and environmental impacts.

The type and scale of assessment and management planning should be proportionate to the nature and magnitude of potential risks and impacts. The type of assessment and/or management approach required is outlined in volume 1 of SECAP. Projects that are categorized as high risk or substantial risk will require comprehensive forms of assessment, meaning either (abbreviated) environmental, social and climate management frameworks (ESCMFs) or environmental and social impact assessment (ESIA). Moderate-risk projects will not require the production of an ESIA, but will need to prepare an ESCMP. Low-risk projects do not require detailed environmental or social assessment, although, depending on the type of project, they may need to conform to relevant sector codes of practice.

Mitigation and management measures need to be developed and implemented for each impact and risk identified in the social and environmental assessment. These measures aim to avoid or reduce adverse biodiversity impacts, following a mitigation hierarchy (see paragraph 6 of the Requirements for Standard 1 in SECAP Volume 1), seeking to achieve no net loss of biodiversity, where possible. Alternative project designs and locations should be considered to avoid potential impacts. Mitigation and management measures need to meet (and ideally exceed) national regulations and obligations under international law but also the requirements specified in SECAP and standard 1. These measures are typically presented in an ESCMP or other relevant management plan that also sets out the institutional arrangements (e.g. roles and responsibilities) and resources required to manage biodiversity impacts, and the implementation and monitoring programmes.

Outlines of the ESIA process and how biodiversity information is considered at different steps is outlined and visualized in annex II of this guidance note.

The following sections discuss the integration of biodiversity considerations into the assessment and management process, and expand upon and provide guidance on the requirements as established in standard 1 of SECAP.

4.1 Guidance on requirements

The Convention on Biological Diversity (CBD) requires parties to apply impact assessment to projects, programmes, plans and policies with a potential negative impact on biodiversity (article 14). This requirement in reflected in SECAP, and more specifically standard 1. The requirements of standard 1 also call for the examination of significant direct and indirect threats to biodiversity, ecosystems and ecosystem services that may occur due to an IFAD-supported intervention. The following sections outline key issues to be considered during the social and environmental assessment and management planning process as outlined and required by the social, environmental and climate standard (SECS) of SECAP.

The following sections include the specific requirements of standard 1 (in boxes) followed by further guidance. The paragraph numbering ("paragraph XX") corresponds to the numbered standard 1 requirements as outlined in SECAP volume 1.[10]

[10] See SECAP Volume 1

Paragraph 5: Risk identification and assessment
IFAD-supported projects will review the significance of the biodiversity and habitats in the proposed project area, including their vulnerability, irreplaceability, protected status and significance to local communities. Potential direct and indirect impacts on biodiversity, ecosystems and ecosystem services from supported activities will be identified as early as possible.[11] A range of risks will be considered, including those related to habitat and species loss, degradation and fragmentation, overexploitation, invasive alien species, hydrological changes, nutrient loading, pollution, incidental take of species, potential climate change impacts, and differing values attached to potentially affected biodiversity and ecosystem services by potentially affected communities and other stakeholders.[12]

Managing risks and impacts that projects may have on biodiversity and natural habitats begins with scoping to determine whether the project has the potential to affect areas important for biodiversity and living natural resources. This should include consideration of transboundary risk or impacts.

The social and environmental assessment process needs to consider the full range of factors that may adversely impact biodiversity and ecosystem services. These include:

- Changes in land use and land cover, potentially leading to habitat loss or conversion, fragmentation, degradation and overexploitation;
- Introduction of invasive alien species and genetically modified species;
- Human-wildlife conflict;
- Unsustainable harvesting of natural resources (including deforestation);
- Hydrological change;
- Incidental take of species;
- Impacts on migratory wildlife; and
- Impacts of climate change.

Scoping must also determine the appropriate spatial and temporal scope of the assessment and identify data gaps and needed baseline studies. Consulting with government officials, conservation organizations and local communities is important at this stage to help identify key biodiversity impacts, including those linked to social issues and local livelihoods. See box 1 and annex III for further guidance on addressing biodiversity issues during the impact assessment process.

Box 1. Guidance on biodiversity-inclusive impact assessment
• Convention on Biological Diversity, “Impact assessment: Voluntary guidelines on biodiversity-inclusive impact assessment.” Convention on Biodiversity. https://www.cbd.int/decision/cop/?id=11042 • Jared Hardner, Ted Gullison, Stuart Anstee and Mike Meyer, *Good Practice for Biodiversity Inclusive Impact Assessment and Management Planning* (Multilateral Financing Institutions Biodiversity Working Group, 2015), https://publications.iadb.org/publications/english/document/Good-Practices-for-Biodiversity-Inclusive-Impact-Assessment-and-Management-Planning.pdf.

Where significant risks and adverse impacts on biodiversity have been identified, the borrower/recipient/partner will develop and implement a biodiversity management plan (BMP).

[11] Effective biodiversity assessments may require significant lead times given seasonal changes and migratory issues.
[12] Biodiversity and ecosystems will be viewed differently depending on the stakeholders and will vary from region to region. Particular biodiversity attributes and ecosystem services will generally be valued differently (e.g. ecologically, economically, culturally) by relevant local, national and international stakeholders.

The BMP may be a stand-alone document, or it may be included as part of the ESCMP or (abbreviated) ESCMF. A BMP typically includes key biodiversity objectives, activities to achieve the objectives, an implementation schedule, institutional and gender-inclusive responsibilities, and cost and resourcing estimates. Indicative content for such a plan is given in annex III of this guidance note.

(i) Conduct baseline studies

Baseline studies should be conducted for the relevant biodiversity attributes and ecosystem services (see annex I for an indicative list of ecosystem services). Baseline studies should comprise some combination of literature review, stakeholder engagement and consultation, field surveys and other relevant assessments. The requirements for the baseline study will vary depending on the nature and scale of the project. For sites with potentially significant impacts on natural and critical habitats and ecosystem services, the baseline should include field surveys over multiple seasons, to be undertaken by competent professionals and with the involvement of external experts, as necessary.

Baseline studies identify the habitats that will be affected in the project's the area of influence (see below), describe the distribution, range and status of the species and biological communities present, and specify the location, status and main biodiversity values of nearby protected areas or other important areas for biodiversity. Baseline studies should be informed by a literature review and initial desktop analysis. Landscape mapping may form part of the review and analysis; this is especially important for projects that may impact natural or critical habitats.[13] Biological baseline surveys with detailed ground sampling may be required; these may need to be conducted over several seasons to account for varying conditions. Allowance will need to be made for this in project lead times. Habitat adjoining the project site may have to be surveyed to determine connectivity with habitat on the project site and to assess the likely edge effects on this adjoining area.

Regarding the project's area of influence, potential adverse impacts from project activities need to be considered not just for the primary project site or areas but more broadly. The project's area of influence may encompass:

- Associated facilities that are not funded or financed as part of the proposed project (funding or financing may be provided separately by the implementing partners or by third parties), and on which the viability and existence of the project depend;
- Areas potentially impacted by cumulative impacts from incremental adverse impacts of the project when added to other past, existing, planned or reasonably predictable future projects and developments (e.g. incremental contribution to pollutant emissions, forest depletion due to multiple plantations). Assessing cumulative impacts enlarges the scale and time frame for assessing combined effects of multiple activities and impacts; and
- Areas potentially affected by impacts from unplanned but predictable developments (indirect and induced impacts) caused by the project that may occur later or at a different location (e.g. facilitation of settlements or illegal logging in intact forest areas through expansion of adjacent agricultural activities).[14]

[13] Numerous regional ecosystem mapping efforts have been undertaken by a range of organizations, such as the United Nations Environment Programme-World Conservation Monitoring Centre (UNEP-WCMC); Ocean Data Viewer; Food and Agriculture Organization of the United Nations Forest Resource Assessments; The Nature Conservancy; NatureServe (Terrestrial Ecosystems Map for South America); Global Forest Watch; Conservation International; BirdLife International; Integrated Biodiversity Assessment Tool; International Union for Conservation of Nature; and Group on Earth Observation Global Earth Observation System of Systems. This information can directly inform assessments of landscape integrity, resource development and management analyses, ecosystem services valuations and reporting and prediction of environmental trends.

[14] It should be noted that indirect and cumulative impact analyses are concerned with impacts that are likely to occur and not with the speculation of any impact that can be conceived of or imagined. The assessment seeks to identify all the indirect

The impact analysis assesses the direct and indirect project-related impacts on populations, species, ecosystems and ecosystem services identified during scoping and the baseline studies. The assessment determines each impact's nature, scale, reversibility, magnitude, likelihood, extent and effect. Determining the significance of impacts involves considering the type of habitat and ecosystem services affected by the project and their biodiversity values as assessed and viewed by experts, local communities and other project stakeholders.

(ii) Utilize a landscape/seascape approach

Project-related impacts should be assessed across potentially affected landscapes or seascapes, particularly where impacts may adversely affect natural or critical habitats. The term "landscape/seascape" is broadly defined and might correspond to an ecoregion, a biome or any other ecologically significant unit of space on a regional or subregional level (i.e. not site specific). The intention here is to identify project-related impacts, especially those on habitat connectivity and/or downstream catchment areas outside the boundaries of the project site. Landscape/seascape analysis is a fundamental step in determining ecologically appropriate mitigation options that align with broader conservation efforts in the region. This type of analysis – which seeks to assess issues in an integrated manner, combining natural resources management with environmental and livelihood considerations – is especially important in preventing degradation and fragmentation of natural habitat, especially from cumulative impacts.

(iii) Consider differing values (e.g. social, cultural, economic) attached to biodiversity by potentially affected communities

Biodiversity is viewed differently by different stakeholders. For example, a forested area considered important as a carbon sink by national authorities may be considered sacred by local communities. As part of the assessment process, it is important to establish a core set of "biodiversity values" that different stakeholders – in particular, project-affected communities – attach to particular attributes of potentially affected biodiversity and ecosystem services. Stakeholder engagement is key to understanding the range of potential impacts the project may have on differing biodiversity values.

For some projects, biodiversity values may be numerous and attention to potential effects may need to be prioritized. For example, consideration should be given to a feature's irreplaceability of a feature (e.g. based on its unique character or the number of spatial options left where conservation can occur) or vulnerability (e.g. based on the time available for conservation before the feature is significantly compromised or lost).

Paragraph 6: Avoidance of adverse impacts and precautionary approach
IFAD-supported projects will apply the mitigation hierarchy to anticipate and, as a matter of priority, avoid adverse impacts on biodiversity and ecosystems. Where avoidance of adverse impacts is not feasible and no viable alternatives are available, such adverse impacts are minimized, mitigated, managed or, as a last resort according to the mitigation hierarchy, offset or compensated. Avoidance of significant adverse impacts may at times require redesign of or not proceeding with certain activities. In addition, use a precautionary approach when addressing potential adverse impacts on biodiversity, ecosystems and communities: where serious threats exist, the lack of full scientific certainty shall not be used to postpone adoption of effective preventive measures.

effects that are known and make a good-faith effort to explain the effects that are not known but are reasonably foreseeable and probable.

(iv) Precautionary approach

Box 2. Mitigation hierarchy	
Mitigation hierarchy (order of priority)	
1. AVOID	Measures taken to avoid creating impacts from the outsets, such as careful spatial or temporal placement of project elements, in order to completely avoid impacts on certain components of biodiversity.
2. MINIMIZE	Measures taken to reduce the duration, intensity and/or extent of impacts (including direct, indirect and cumulative impacts, as appropriate) that cannot be completely avoided, as far as is practically feasible.
3. MITIGATE	Mitigation measures taken to rehabilitate species, degraded habitat or ecosystems following exposure to impacts that cannot be completely avoided and/or minimized. Principle of "no net loss" of biodiversity applied where possible.
4. OFFSET/COMPENSATE	Measures taken as last resort to offset or compensate any residual significant adverse impacts that cannot be avoided, minimised and/or mitigated, in order to achieve no net loss or a net gain of biodiversity. Measures may include biodiversity offsets or compensation to the direct users of the affected biodiversity ecosystem services in the absence of the project.

The precautionary approach or principle calls for a risk-averse and cautious approach in cases where impacts cannot be predicted with confidence and/or where there is uncertainty about the effectiveness of mitigation measures.[15] If the impacts on important biodiversity resources cannot be established with sufficient certainty, the activity should either be halted until further information is available, or a worst-case scenario should be adopted with regard to biodiversity impacts (i.e. activity considered high risk) and the project's design, implementation and management should seek to ensure that risks are avoided or, if that is not possible, reduced to acceptable levels.

(v) Mitigation hierarchy

Risk reduction measures should follow a mitigation hierarchy (see box 2). Standard 1: Biodiversity conservation places strong emphasis on the avoidance of impacts on biodiversity and ecosystem services as the first step in the hierarchy of actions required to address potential adverse impacts. Avoidance of impacts is sometimes the only means to prevent irreplaceable loss of biodiversity and associated ecosystem services. The degree of emphasis on avoidance in the mitigation hierarchy should reflect the irreplaceability and vulnerability of the affected biodiversity/ecosystem service.

Where avoidance of adverse impacts is not possible, the next step is to minimize the duration, intensity and extent of potential impacts. Residual impacts are then subjected to mitigation measures (e.g. restoration of species or habitats) designed to achieve at least no net loss of

[15] Principle 15 of the Rio Declaration on Environment and Development notes that "[w]here there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent serious threats of environmental degradation" (United Nations, *Report of the United Nations Conference on Environment and Development: Annex I: Rio Declaration on Environment and Development* (A/CONF.151/26 (Vol. I) (New York, USA: United Nations, 1992), https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_CONF.151_26_Vol.I_Declaration.pdf). For further information on the precautionary approach, see United Nations Educational, Scientific and Cultural Organisation, *The Precautionary Principle* (Paris: UNESCO, 2005), http://unesdoc.unesco.org/images/0013/001395/139578e.pdf.

biodiversity, where possible (and, as required, net gains in the case of critical habitats, as described below). As a last resort, significant residual impacts are to be offset or compensation provided to direct users of the biodiversity affected (see paragraphs 8 and 11 of standard 1, below).

"No net loss" is defined as the point at which project-related impacts on biodiversity are balanced by the outcomes of measures taken to avoid and minimize the project's impacts. The concept refers to the biodiversity values of interest associated with the particular project site and their conservation on an ecologically relevant scale. Typically, the loss of identified biodiversity values would be quantified and then paired with an assessment to determine if losses could be balanced by gains made through mitigation measures or, as a last resort, offsets (see paragraph 11, below). Appropriate methods and metrics will vary from site to site, and competent specialists (see paragraph 12, below) would need to demonstrate that no net loss could be achieved. It must be noted, however, that no net loss is not possible in all cases (see discussion of paragraph 11, below).

(vi) ***Adaptive management***

Environmental and social assessments carried out during project preparation are necessarily constrained by the information available at the time, and assessment-related decisions may need to be made based on scientifically grounded assumptions and predictions. During project implementation, new information and unforeseen or changing circumstances can arise that may lead to the failure of mitigation measures or other unexpected results. Adaptive management includes regular monitoring of environmental and social indicators, comparing these with expected outcomes and revising actions as needed in order to realign the project with SECS objectives. For example, the monitoring of a river-edge forest or wetland might lead to recommendations for changing the water releases from a dam. Details of monitoring and decision-making processes that will support adaptive management of the project should be set out in the BMP (see annex III).

Paragraph 7: Siting preference and habitats
IFAD will prioritize siting activities with potential adverse impacts far from critical habitats, protected areas (as outlined in paragraph 13 of standard 1), or areas of ecological significance, giving preference to locating activities on lands where natural habitats have already been converted (i.e. modified habitats). Differentiated mitigation approaches will be applied to various habitat types considering the importance of the biodiversity and ecosystems of the areas affected by the project.

Project activities (and associated facilities) that may have adverse impacts on biodiversity and ecosystem services should be sited as far as possible from high-value habitats, ideally on already degraded lands. Selection of project areas with low value for biodiversity and ecosystem services and low sensitivity to anticipated impacts should be demonstrated in the alternatives analysis conducted as part of the environmental and social assessment. As part of early project due diligence (e.g. development of concept/country strategic opportunity programme, scoping exercise), project developers should also ensure that projects would not be situated in areas that have been recently modified (e.g. clearing of natural forest, filling or channelling of wetlands).

This raises the question of how long would habitat have to have been degraded before an area is considered modified or of low biodiversity value. Habitat should be considered modified if it has existed in that state for an extended period of time and is not otherwise likely to be returned to a natural state. Certain sustainability standards set a baseline year. For example, the Roundtable for Sustainable Palm Oil (RSPO) sets 2005 as a baseline year for no new plantings

in areas of high conservation value or primary forests.[16] Habitat clearly should not be considered modified if it was cleared in anticipation of the project. Also, natural habitats that have experienced natural disturbances (e.g. forest fire, floods, hurricanes or tornados) should not be considered modified habitat.

Standard 1: Biodiversity conservation requires identification of habitat type and applies increasingly stringent requirements based on an areas' biodiversity values (it is important to review the definitions of habitat types in Volume 1, Annex 1 and below).

An area of habitat rarely has uniform biodiversity value due to natural variability and commonly contains areas with different degrees of modification. This can make the identification of natural habitat a complex task. This determination is best done by suitably qualified professionals (see requirements and corresponding guidance from paragraph 12 of Standard 1: Biodiversity conservation) who can classify habitats based on a range of indicators. However, it should be noted that there is no prescriptive set of metrics for determining whether a habitat is modified or natural given the wide range of habitats in which projects take place. Delineating modified and natural habitats should not focus on the project site in isolation, but on the greater landscape/seascape in which the project is located.

(vii) Modified habitats:

Modified habitats usually have a lower biodiversity value than natural habitat but can still harbour endangered and/or endemic species, contain areas of rare remnant vegetation or provide unique ecosystems. In addition, biodiversity values can be high in the transition zone between modified habitat and undeveloped natural habitat, where many species are able to find suitable ecological niches, and these areas can serve as breeding grounds for adaptive variations.

Good international practice generally seeks to minimize further "unwarranted" conversion or degradation of modified habitat. Since nearly any converted area could be considered modified, it is not possible to avoid siting some projects with physical footprints in modified habitats. The aim, however, is to avoid contributing to further degradation and/or conversion of modified habitats that retain important biodiversity values. Modified habitats that still retain significant biodiversity values should not be converted, and conversion of areas with lesser biodiversity values should be minimized where technically and financially feasible. Footprint minimization should be a guiding design principle. Previously intact habitats recently converted by unsustainable land-use practices should not be considered modified habitat nor should natural habitats recently affected by natural disturbances such as fire or storms.

(viii) Natural habitats:

Where natural habitats[17] are affected, IFAD-funded/supported projects and programmes will proceed only after putting in place appropriate mitigation measures to achieve no net loss, and preferably a net gain of the associated biodiversity values over the long term. This must be accompanied by a robust long-term biodiversity action plan or equivalent that describes conservation outcomes and implementation, monitoring and evaluation actions.

Determining what constitutes natural habitat requires use of credible scientific analysis and the best available information, including local knowledge. An assessment of current and historic conditions should be conducted. It is important to note that natural habitats are not to be

[16] Roundtable for Sustainable Palm Oil, "Principles and Criteria., April 2013, no. 7.3, at http://www.rspo.org/key-documents/certification/rspo-principles-and-criteria.

[17] For the purpose of this standard, natural habitats are defined as "Areas composed of viable assemblages of plant and/or animal species or largely native origin and/or where human activity had not essentially modified an areas primary ecological functions and species composition." (Definition from: International Finance Corporation, *Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources* (Washington, D.C.: IFC, 2012), https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps6)

interpreted solely as untouched or pristine habitats. The majority of habitats designated as natural will have undergone some degree of modification by human activity. The question is the degree of impact. Where a habitat retains the principal characteristics of its native ecosystem(s), such as complexity, structure and diversity, it should be considered natural habitat regardless of the presence of some invasive species, secondary forest, human habitation or other alteration. Standard 1 requires avoidance, where possible, of any significant conversion or degradation of natural habitats and sets conditions for proceeding with activities that could cause adverse impacts to such areas. These include the following:

- No viable alternatives exist to locate the project on heavily modified and degraded lands rather than in natural habitat. A locations analysis to explore potential viable options should be conducted as part of the alternatives analysis of the environmental and social assessment.
- Appropriate conservation and mitigation measures are included in the project's ESCMP. Mitigation measures should be designed to achieve at least no net loss of biodiversity where possible, and preferably should deliver a net gain. Actions need to ensure the maintenance of any potentially affected ecosystem services. Appropriate conservation and mitigation measures may include a combination of the following actions:
    - On-site mitigation measures such as minimizing habitat loss, fragmentation, degradation (e.g. biological corridors, apply footprint minimization principles throughout project cycle).
    - Identification of set-asides to avoid impacts on biodiversity. Set-asides are land areas within the project area or adjacent to it that are excluded from development and are targeted for the implementation of conservation enhancement measures. Set-asides will likely have significant biodiversity values and/or provide ecosystem services of significance.
    - Physical restoration, reinstatement and rehabilitation. Basic principles for restoration should include (a) protection of topsoil and restoration of vegetation cover as quickly as possible after any construction or disturbance; (b) reestablishment of original habitat to its pre-disturbance conditions; and (c) consideration of conservation techniques such as translocation/relocation where native species (especially protected species) cannot be retained in situ. Biodiversity and ecosystem functionality must be maintained or enhanced for forest restoration projects.
    - As a last resort, offsetting biodiversity losses through effective long-term conservation of ecologically comparable area(s) elsewhere (comparable in size, quality and function), while respecting any ongoing use rights of indigenous peoples and historically underserved local communities. See discussion of paragraph 11, below, for offset requirements.
    - Again, as a last resort, compensating the direct users of the affected biodiversity, commensurate with the loss caused by the project (e.g. lost production or resource benefits due to project-related access restrictions to forests or other areas) through financial or other forms of compensation. Payment for environmental/ecosystem services (PES) may be a form of compensation (acknowledging that PES is often utilized as a stand-alone programme to encourage conservation outcomes) (see box 3).

Box 3. Payment for environmental/ecosystem services

Payments for environmental services (also known as payments for ecosystem services or PES) are payments to farmers or landowners who have agreed to take certain actions to manage their land or watersheds to provide an ecological service. As the payments provide incentives to landowners and managers, PES is a market-based mechanism, similar to subsidies and taxes, to encourage the conservation of natural resources.

A number of risks need to be considered in relation to PES schemes, including insecure tenure rights of landholders, leakage of pressure on ecosystem services to other areas, perverse incentives that harm biodiversity (e.g. planting non-native species), corruption and elite capture.

A wide range of guidance is available on developing PES.[18]

(ix) Critical habitats

When project activities are proposed in a critical habitat (see definition in Volume 1 annex 1), qualified and experienced external experts need to be retained to assist in conducting the assessment. This is also needed when the project's area of influence may extend into critical habitat. For further guidance on the use of experts see paragraph 12 of Standard 1 in SECAP volume 1 and the corresponding guidance found in this guidance note.
It is important for IFAD-supported projects to consider whether other supported activities that may take place in areas near or within critical habitats could, unless managed properly, inadvertently lead to adverse social and environmental impacts. In accordance with the Standard 1, no project activity is permitted in areas of critical habitat unless all of the following are demonstrated:

- No measurable adverse impacts on the criteria or biodiversity values for which the critical habitat was designated or on the ecological processes supporting those biodiversity values (determined on an ecologically relevant scale).
    - This requirement explicitly emphasizes the importance of considering biodiversity values across an ecologically relevant scale, including the landscape/seascape scale. Project developers should work with recognized ecologists and species specialists in defining critical habitat based on the biodiversity values triggering that critical habitat designation, not on an imposed artificial project boundary in a landscape/seascape. The conservation of the ecological processes necessary to maintain the critical habitat is clearly as important as the conservation of the individual values themselves. Many biodiversity values are interdependent and cannot be conserved in isolation.
    - It is critical to maintain biological corridors and habitat connectivity to provide for wildlife passage to key habitats outside and between critical habitats (e.g. to allow migratory fish to travel between freshwater spawning sites and the sea, or to allow animal migration).
- No reduction of any recognized vulnerable, endangered or critically endangered species.
- Any lesser impacts are mitigated (see types of mitigation measures noted above under "Natural habitats", above).
- The project is permitted under applicable national environmental laws, recognizing the priority biodiversity features.
- A robust, appropriately designed, and long-term biodiversity action plan is in place to achieve net gains of those biodiversity values for which the critical habitat was designated. For projects solely designed to strengthen biodiversity and maintain or restore ecosystems in areas of critical habitat, the project document itself would constitute such a plan.

[18] See, for example, Center for International Forestry Research, *Payments for Ecosystem Services (PES): A practical guide to assessing the feasibility of PES projects* (Bogor, Indonesia: CIFOR, 2014), http://www.cifor.org/library/5260/payments-for-ecosystem-services-pes-a-practical-guide-to-assessing-the-feasibility-of-pes-projects/.

For projects that may affect habitats, it is important to identify whether any threatened species may be present in the project's area of influence. A primary reference is the IUCN Red List of Threatened Species (https://www.iucnredlist.org/). Standard 1 requires that project activities do not lead to any reduction in any recognized vulnerable, endangered or critically endangered species (following Red List categories). Project locations need to be specified in order to identify whether any threatened species could be adversely impacted. Where there are endemic species with restricted ranges in the project area that have not been classified yet by the International Union for Conservation of Nature (IUCN) or the host country, appropriate species specialists should be engaged to evaluate the species utilizing the IUCN criteria.

Paragraph 8: Compensation for any unavoidable damage
In cases of unavoidable damage to biodiversity, the project should compensate for its negative effects on biodiversity by supporting mitigation or restoration of similar biodiversity-rich habitats elsewhere. IFAD will not use this as a stand-alone solution, but may consider it on a very limited scale, such as when simpler mitigation options have been exhausted, for example for routing a road or selecting a site for building a reservoir.

If a project does inadvertently result in damage to biodiversity, the requirements of paragraph 8 of Standard 1 require that adequate compensation is provided and implemented. This could be through the use of biodiversity offsets as outlined further in paragraph 11 of Standard 1; in certain circumstances compensation should be provided to direct users of affected biodiversity. Compensation should result in no net loss relative to the benefits derived from the biodiversity harmed, at a minimum.

Paragraph 9: Access and benefit sharing use of genetic resources
For IFAD-supported projects that involve the utilization of genetic resources, IFAD ensures that the collection of such resources is conducted sustainably and that benefits derived from their utilization are shared in a fair and equitable manner. IFAD ensures such projects are consistent with the Convention on Biological Diversity[19] and its Nagoya Protocol.[20] Where genetic resources are collected from traditional or customary lands of indigenous peoples and historically underserved local communities, the provisions of Standard 4: Indigenous peoples and historically underserved local communities apply, including the requirement for free, prior and informed consent (FPIC)[21] of the affected communities

Using genetic resources, whether of plants, animals or micro-organisms, refers to the process of researching their beneficial properties and using them to increase scientific knowledge and understanding or to develop commercial products. Uses of genetic resources are numerous; they are used, for example, by the pharmaceutical industry for drug development, in industrial biotechnology (e.g. enzymes) to improve efficiency and quality of products and production process, and in agricultural biotechnology to improve plant, seed, and crop performance and efficiency.

For projects that involve the utilization of genetic resources, Standard 1 requires that the collection of such resources is conducted sustainably and that benefits derived from their utilization are shared in a fair and equitable manner. Project developers need to ensure that

[19] Convention on Biological Diversity, "The Convention on Biological Diversity." CBD. https://www.cbd.int/convention/.
[20] Convention on Biological Diversity, "The Nagoya Protocol on Access and Benefit-sharing." CBD. http://www.cbd.int/abs/.
[21] For application of FPIC at IFAD, refer to IFAD, *How to do: Seeking free, prior and informed consent in IFAD investment projects* (Rome: IFAD, 2015), https://www.ifad.org/documents/38714170/40197975/htdn_fpic.pdf/7601fe69-3ada-4b9d-a30d-95ae4c98216b.

such activities are consistent with the CBD[22] and the Nagoya Protocol, which sets out rules that govern access and benefit-sharing of genetic resources.[23]
Access and benefit-sharing refers to the way in which genetic resources may be accessed and how users and providers reach agreement on the fair and equitable sharing of the benefits that might result from their use. Users of genetic resources include research institutes and companies seeking access for basic scientific research or product development. To gain access, users must first get permission (known as prior informed consent) from the provider country. In addition, the provider and the user must negotiate an agreement (known as mutually agreed terms) to share the resulting benefits equitably.
Where genetic resources are collected from traditional or customary lands of indigenous peoples and historically underserved local communities, project developers need to ensure that the provisions of Standard 4: Indigenous peoples and historically underserved local communities apply, as well as the requirements of FPIC.[24]

Paragraph 10: Invasive alien species
IFAD-supported projects will implement measures to avoid introduction or utilization of invasive alien species, whether accidental or intentional, and support activities to mitigate and control their further spread. For the purpose of this standard, invasive alien species are defined as non-native organisms whose population is increasing and spreading and which causes, or may cause in the future, negative environmental, social or economic impacts.[25] Projects should avoid the intentional introduction of new alien species unless carried out according to existing regulatory frameworks and the introduction is subject to a risk assessment.

Many types of alien species including agricultural crops may not be native but are not invasive and do not themselves pose a threat to biodiversity. Only invasive alien species (IAS) are considered to cause adverse impacts on biodiversity and can cause habitats to become highly threatened and thus categorized as critical habitat for the purposes of this SECS. Types of project where IAS may present a high risk include linear infrastructure, such as a pipeline, transmission line or road or rail development. This is because the right-of-way may traverse and link several habitats through one corridor, providing optimal means for a species to quickly spread through the region. In addition, international shipping of goods, including transportation of cargo and heavy machinery, may also present risks for introduction of new alien species.
Alien species (plant, animal, pathogen or other organism) are species that are introduced beyond their original range of distribution (i.e. not naturally occurring in the project area, region or country). IAS invade or spread rapidly by out-competing native plants and animals when they are introduced into a new habitat that lacks their traditional controlling factors. Introductions can occur deliberately (e.g. use in farming, forestry, aquaculture, horticulture, recreational purposes, or even as pets and garden plants) or accidentally (e.g. by seed or animal movement along road corridors, as contaminants of other commodities, or as hitchhikers and stowaways on vessels or equipment).

[22] See note 12, above.
[23] See note 13, above.
[24] See IFAD, *How to Do: Seeking Free, Prior and Informed Consent in IFAD Investment Projects* (Rome: IFAD, 2015), Annex 5: International Framework, https://www.ifad.org/en/web/knowledge/publication/asset/39181253.
[25] This definition builds on international best practice, largely the CBD definition: "Invasive alien species are plants, animals, pathogens and other organisms that are non-native to an ecosystem, and which may cause economic or environmental harm or adversely affect human health. In particular, they impact adversely upon biodiversity, including decline or elimination of native species – through competition, predation, or transmission of pathogens – and the disruption of local ecosystems and ecosystem functions" (Convention on Biological Diversity, "What are Invasive Alien Species?" CBD. https://www.cbd.int/idb/2009/about/what/).

Activities such as reforestation, revegetation, agriculture and aquaculture may pose risks of introducing IAS.
IAS add to the cost of agriculture, forestry, fisheries and other human enterprises, competing with or consuming production species, thereby reducing yields and increasing production costs. They can act as disease vectors and can physically impede the operation of facilities (e.g. obstructing irrigation canals), thus reducing the lifespan of development investments.
IAS are a major cause of biodiversity loss and preventing the introduction of IAS avoids the often substantial costs involved in their subsequent eradication and reduced production.
Standard 1 requires that that no new alien species (i.e. species not currently established in the country or region of the project) will be intentionally introduced unless it is subjected to a risk assessment to determine the potential for invasive behaviour and carried out in accordance with the existing regulatory framework, if such a framework exists. If a regulatory framework does not exist, its introduction should be assessed in light of the species' behaviour in similar conditions (e.g. climate, soils); it should have a proven record of not becoming invasive in similar growing conditions. In addition, risks of accidental or unintended introduction of IAS should be assessed

Box 4. Resources on invasive alien species

- Invasive Species Specialist Group, Global Invasive Species Database, http://www.iucngisd.org/gisd/
- Invasive Species Specialist Group guidelines and toolkits, available from http://www.issg.org/index.html
- Convention on Biological Diversity, "Invasive Alien Species." CBD. https://www.cbd.int/invasive/
- Convention on Biological Diversity, "Invasive Alien Species: Guidance and Tools." CBD. https://www.cbd.int/invasive/tools.shtml
- Convention on Biological Diversity, "Invasive Alien Species: CBD Toolkit." CBD. https://www.cbd.int/invasive/cbdtoolkit/

Paragraph 11: Use of biodiversity offsets

Biodiversity offsets[26] may be considered as a last resort only after appropriate avoidance, minimization and restoration measures have been applied. A biodiversity offset must be designed and implemented to achieve measurable conservation outcomes (demonstrated in situ and on an appropriate geographic scale) that can reasonably be expected to result in no net loss, and preferably a net gain, of biodiversity. In the case of critical habitats (see paragraph 7 of this standard), biodiversity offsets may be considered only in exceptional circumstances; in such circumstances a net gain is required. The design of a biodiversity offset adheres to the "like-for-like or better" principle[27] and is carried out with the best available information and current best practices. External experts with knowledge in offset design and implementation are involved.[28]

Biodiversity offsets are measurable conservation actions intended to compensate for unavoidable residual harm caused to biodiversity by project activities. Offsetting usually aims to create ecologically comparable areas (comparable in size, quality and function), close to the affected project site if possible, in which biodiversity is managed and protected.

As stated in paragraph 11, biodiversity offsets may be considered only as a last resort after appropriate avoidance, minimization and restoration measures have been applied. The decision to undertake a biodiversity offset therefore should never be a substitute for the implementation of good management practices on the actual project site. Biodiversity offsets are only to be undertaken if significant residual impacts remain after all prior steps in the mitigation hierarchy (see box 2, above) have been fully assessed and implemented.

Offsets must be designed to achieve measurable conservation outcomes, that is, an agreed set of conservation actions that could balance biodiversity losses caused by the project by equivalent biodiversity gain. Biodiversity offsets have to be commensurate with the magnitude of the residual impact of the project and seek to deliver long-term in situ (that is, on-the-ground) conservation outcomes at an appropriate geographic scale with respect to the particular biodiversity value in question. It should be noted that training, capacity-building or financing research would rarely be considered a demonstrable on-the-ground outcome. Also, "in situ" should not be interpreted as "on the project site" but rather "in the natural environment" and on an ecologically relevant scale with respect to the biodiversity value in question.

Offsets must be designed at a minimum to achieve no net loss of biodiversity for residual impacts on modified and natural habitats and a net gain of biodiversity for critical habitats. This

[26] Biodiversity offsets are measurable conservation outcomes resulting from actions designed to compensate for significant residual adverse biodiversity impacts arising from project development, and persisting after appropriate avoidance, minimization and restoration measures have been taken.

[27] The principle of "like-for-like or better" indicates that biodiversity offsets must be designed to conserve the same biodiversity values that are being impacted by the project.

[28] For additional guidance on biodiversity offsets, see Business and Biodiversity Offset Programme, *Standard on Biodiversity Offsets* (Washington, D.C.: BBOP, 2012), https://www.forest-trends.org/bbop_pubs/standard-on-biodiversity-offsets/.

requires that the pre-project net area and quality of biodiversity be maintained and/or enhanced in terms of key biodiversity components such as species diversity (numbers and/or composition), habitat extent and/or structure, and ecosystem function. Actions to deliver no-net loss or net-gain conservation outcomes for a specific development project may include management actions such as improving the conservation status of an area by reintroducing target native species, installing erosion-control works to stabilize land and promote revegetation, or establishing ecosystems where they did not previously exist, such as new wetlands. Alternatively, they could involve actively protecting an area to prevent degradation and allow regeneration or reducing or removing biodiversity threats or pressures. For example, pressure may be removed by entering into contracts or covenant agreements with individuals or communities in which they give up the right to convert habitat in the future in return for compensation payments or other benefits now. Alternatively, they could involve patrolling an area to prevent harvesting or fencing it to prevent grazing. As noted earlier, no net loss is not possible in all cases, e.g. where endemic species have highly restricted distribution or potentially affected biodiversity is irreplaceable. In such cases, redesigning project activities to avoid potential adverse impacts is necessary.

Biodiversity offsets must adhere to the principle of "like-for-like or better," which indicates that biodiversity offsets must be designed to conserve the same biodiversity values that are being impacted by the project or seek to conserve areas of higher biodiversity values (trading up). A precautionary approach is recommended for the design of biodiversity offsets to increase the likelihood of successful outcomes. For example, a 1:1 ratio of habitat-area replacement may be insufficient to ensure no net loss due to edge effects (e.g. drying, fire, blow-down, etc.) and partial failure of rehabilitation or protection methods. There is no generally accepted standard for an offset ratio, but a ratio of 3:1 or greater is considered best practice.

Developing an offset requires the use of experts with relevant academic qualifications in biology, ecology or ecological restoration and experience in offset implementation in the host country or a similar developing country. In addition to meeting the standard 1 requirements, design of offsets should follow current internationally recognized best practices, such as those developed by the Business and Biodiversity Offset Programme (BBOP).[29] Biodiversity offsets should be designed to comply with all relevant national and international law and be planned and implemented in accordance with the CBD and its ecosystem approach, as articulated in national biodiversity strategies and action plans.

International experience with biodiversity offsets indicates the need for the following additional elements to be addressed in the design of offsets:

- **Location:** biodiversity offsets should be located within the same general area as the development activity and be connected with areas of continuous vegetation/habitat.
- **Additionality:** biodiversity benefits from offsets must directly result from additional actions that would not have occurred otherwise. An action that protects an area that is not being degraded is not an offset.
- **Timing and duration:** biodiversity offsets must be delivered in a timely manner and be long term. Offset implementation should commence as early as possible, ideally prior to the occurrence of project impacts.
- **Stakeholder involvement:** dialogue and consultation with all key stakeholders and the involvement of experts is vital for biodiversity offset design. Groups and organizations with appropriate experience and local knowledge should be engaged to work closely with project proponents, including local NGOs and other community partners.

[29] See, for example, Business and Biodiversity Offset Programme, *The BBOP Principles on Biodiversity Offsets* (Washington, D.C.: BBOP, 2018), https://www.forest-trends.org/bbop_pubs/principles/, and Business and Biodiversity Offset Programme, *Standard on Biodiversity Offsets* (Washington, D.C.: BBOP, 2012), https://www.forest-trends.org/bbop_pubs/standard-on-biodiversity-offsets/.

- **Financial support:** An appropriate financial mechanism (e.g. conservation trust fund) should be established to ensure sufficient and sustainable financial flows to implement the offset and ensure that all necessary gains are delivered.
- **Monitoring and enforcement:** biodiversity offsets must be enforceable and regularly monitored and audited. This often requires that the area of offset is secured for conservation use in perpetuity to prevent further fragmentation or development.

Paragraph 12: Use of experts
Where appropriate, the project development team will obtain the advice of experts to assess biodiversity and ecosystem services values – for example, cultural, aesthetic, spiritual, educational, and recreational values.

Due to the specialized nature of biodiversity knowledge, external experts are often necessary to support assessment and management of biodiversity risks. Care must be taken to select the most appropriate skill set for a project, including consideration of relevant geographic and taxonomic experience. In many cases, different specialists will be needed for different aspects of the project (such as landscape planning, field survey methods and identification of new species). Biodiversity management specialists who are familiar with specific industries and safeguard systems can help developers navigate novel or complex biodiversity issues, networks and data.

In high-risk projects, such as those involving critical habitat, clients should ensure that external experts with regional experience are involved in the assessment and management process. Such experts can provide access to local and regional knowledge and experience. For example, IUCN Species Specialist Groups include world experts that span a range of species groups and conservation management issues. In some projects with high-risk biodiversity issues, the use of expert panels can enhance project-level resources and transparency in decision-making. In addition, some experts may be aligned with conservation organizations or agencies that may be available to support long-term planning, monitoring and implementation via partnerships. Such partners can also help with identifying additional expertise or data and facilitate discussions with other civil society groups or local stakeholders.

Paragraph 13: Protected areas
In circumstances where project activities are located within a legally protected area[30] or an internationally recognized area,[31] IFAD ensures that, in addition to the requirements specified in paragraph 7 of this standard, the following requirements also apply: • Act in a manner consistent with any existing protected-area management plans; • Consult protected area sponsors and managers, local communities and other key stakeholders on the proposed activities; and • Implement additional activities, as appropriate, to promote and enhance the conservation aims and effective management of the area. Where restrictions of access to protected areas may have

[30] This standard recognizes legally protected areas that meet the IUCN definition: "A protected area is a clearly defined geographical space, recognized, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values" (IUCN, "Protected Areas." IUCN. https://www.iucn.org/theme/protected-areas/about). Areas proposed by governments for such designation are included.

[31] Including UNESCO Natural World Heritage Sites and UNESCO Man and Biosphere Reserves, wetlands designated under the Convention on Wetlands of International Importance (the Ramsar Convention), indigenous protected areas or indigenous and community conserved areas.

potential adverse impacts on livelihoods of local communities, the requirements of standard 7 (Physical and economic resettlement) apply.

Projects that may be located in, or have impacts on, legally protected areas or internationally recognized areas must follow the requirements of paragraph 7 of standard 1 (i.e. on critical habitats and siting preferences). Projects that support activities in a range of sectors need to consider whether activities may affect protected areas. Where significant adverse impacts may be possible, project developers need to not only address the above critical habitats requirements but must also:

- Act in a manner consistent with the area's legal protection and management objectives and plans, where such exist; and
- Consult protected-area sponsors and managers, local communities and other key stakeholders on the proposed activities.

In many countries, project site investigation and environmental and social impact assessment activities can be undertaken within protected areas only with the prior consent of the relevant authority. Obtaining approval for proposed project activities within a protected area will often rest on the approval authority's understanding of the activities and their likely impacts on protected-area values. Accordingly, early and clear consultation with authorities and protected-area sponsors (including relevant local communities and indigenous peoples and historically underserved local communities) is critical, usually commencing during the development of the project concept.

Project activities proposed inside legally protected or internationally recognized areas should result in tangible benefits to the conservation objectives of that area, and clear conservation advantages should be gained by the presence of the project (this goes for all projects that impact protected areas, not just those focused on strengthening such areas). This can be achieved through implementing activities that, for example, provide support for park management, address alternative livelihoods for any affected local communities or support research needed for the conservation aims of the protected area. The effectiveness of protected-area management should be reviewed; if no management plan exists for the affected protected area, project developers should consider supporting the development of one with the suitable government agencies, conservation organizations and local communities.[32]

The boundaries of some protected areas may be ill-defined on maps or in the field. In these instances, the project developer should consult with the protected-area management authority to accurately identify the boundaries in relation to proposed project activities. Buffer zones around protected areas may be legally demarcated or informally recognized. If project activities are proposed within buffer zones, it is advisable to identify the area and undertake consultation and related assessment activities.

Strengthening or expanding protected areas may lead to restrictions on access and certain types of activities (e.g. resource extraction, hunting, agriculture). Where access restrictions may have potential adverse impacts on livelihoods of local communities, targeted measures are required to reach agreements and to restore livelihoods. The requirement of Standard 7: Physical and economic displacement would likely be applicable. If such communities include indigenous peoples and historically underserved local communities, then requirements of

[32] The Management Effectiveness Tracking Tool (METT) is commonly used for assessing effectiveness of protected area management (S. Stolton and N. Dudley, *METT Handbook: A guide to using the Management Effectiveness Tracking Tool (METT)* (Woking, UK: WWF-UK, 2016). https://www.protectedplanet.net/system/comfy/cms/files/files/000/000/045/original/WWF_METT_Handbook_2016_FINAL.pdf. The METT is integrated in the Global Environment Facility Biodiversity Tracking Tools, available at https://www.thegef.org/documents/gef-biodiversity-tracking-tool-gef-6.

Standard 4: Indigenous peoples and historically underserved local communities would also apply.

Paragraph 14: Primary suppliers
When purchasing natural-resource commodities, procurement shall be limited to suppliers that can demonstrate that they are not contributing to significant conversion or degradation of natural or critical habitats. When feasible, the application of ecolabels and environmental product descriptions (EPDs)[33] shall be used and prioritized.

Primary suppliers are those suppliers who, on an ongoing basis, provide directly to the project goods or materials essential for the core functions of the project. Core functions of a project constitute those production and/or service processes essential for a specific project activity without which the project cannot continue.
Examples of natural resource commodity production that may involve significant conversion or degradation of habitats include unsustainably harvested wood products, gravel or sand extraction from riverbeds or beaches, plantation crop production resulting in deforestation and aquaculture that displaces mangroves or natural wetlands.
The environmental and social assessment determines whether there are known risks regarding significant conversion or significant degradation of natural or critical habitats related to a natural-resource commodity to be purchased under the project.
Where there are appropriate certification and verification systems accepted for sustainable management of living natural resources in the country of origin, it is recommended to procure natural-resource commodities certified under such systems. This may include EPDs, ecolabels and/or other certified sourcing standards.
The ability of the project to fully address these risks will depend upon the level of control or influence over primary suppliers. This depends in part on the terms and conditions of contracts with the primary supplier.

K. 5. Monitoring project implementation

IFAD requires that key documents be submitted to IFAD. Management plans include monitoring and reporting requirements that should be fully integrated into the project's overall monitoring plan. This includes tracking social and environmental management measures through the financing cycle.
The extent of monitoring will be proportionate to the nature of the project, the project's social and environmental risks and impacts, and compliance requirements. A project should not be considered complete until the measures and actions set out in the management plan have been implemented.
If there are substantive changes to the project during implementation or changes in the project context that alter the project's risk profile, then rescreening, assessment and revised management measures may be required.
Monitoring should focus on those components of biodiversity most likely to change as a result of the project. The use of indicator organisms or ecosystems that are most sensitive to the predicted impacts may provide the earliest possible indication of undesirable change. Since monitoring has to consider natural fluxes as well as human-induced effects, complementary indicators may be appropriate in monitoring. Indicators should be specific, achievable, relevant

[33] An environmental product declaration is an independently verified and registered document that communicates transparent and comparable information about the life-cycle environmental impact of products. The relevant standard for environmental product declarations is ISO 14025, in which they are referred to as "type III environmental declarations."

and timely and where possible aligned with existing monitoring indicators and processes.[34] Given the diversity of species and ecosystems, the development of appropriate indicators will always require the expertise of specialists.

Considering the complexity of natural (and many modified) habitats, biodiversity management should be considered within the context of adaptive management. Findings from monitoring programmes should be regularly evaluated and management and mitigation responses should be adapted as necessary to effectively ensure the protection of the biodiversity values in question.

Where appropriate, stakeholders and third parties, such as independent experts, local communities or NGOs, should complement or verify monitoring activities.

SECAP compliance review activities should be appropriate to the type and scope of the requirements, and may include:

- Reviewing monitoring reports, conducting site visits and reviewing project-related information;
- Reviewing compliance with SECAP standards requirements;
- Advising partners on how to manage issues related to SECAP and the standards; and
- Communicating risks and probable consequences of failure to comply with the SECAP requirements and initiating remedies if the borrower/recipient/partner fails to (re)establish compliance.

[34] CBD, Biodiversity in EIA and SEA, pp. 40-41. https://www.cbd.int/doc/publications/imp-bio-eia-and-sea.pdf. On indicators, see also detailed guidance in The Energy and Biodiversity Initiative, *Indicators for Monitoring Impacts and Conservation Actions* (Washington, D.C., no date), https://www.forest-trends.org/wp-content/uploads/imported/9biodiv-indicators-monitoring-impacts-pdf.pdf (noting a focus on private sector oil and gas operations).

L. Annex I. Indicative list of ecosystem services

Ecosystem services are the benefits that people derive from ecosystems. Table A1 provides an indicative list of ecosystem services by type (provisioning services, regulating services, cultural services and supporting services), together with examples.

Table A1

Indicative list of ecosystem services by type*

Service	*Subcategory*	*Definition*	*Examples*
Provisioning services: Goods or products obtained from ecosystems			
Food	Crops	Cultivated plants or agricultural products harvested by people for human or animal consumption	• Grains • Vegetables and fruits
	Livestock	Animals raised for domestic or commercial consumption or use	• Chickens • Pigs • Cattle
	Capture fisheries	Wild fish captured through trawling and other non-farming methods	• Cod and tuna • Crabs
	Aquaculture	Fish, shellfish and/or plants that are bred and reared in ponds, enclosures and other forms of freshwater or saltwater confinement for purposes of harvesting	• Shrimp • Oysters • Salmon
	Wild foods	Edible plant and animal species gathered or captured in the wild	• Fruits and nuts • Fungi • Bush meat
Biological raw materials	Timber and other wood products	Products made from trees harvested from natural forest ecosystems, plantations or non-forested lands	• Industrial round wood • Wood pulp and paper
	Fibres and resins	Non-wood and non-fuel fibres and resins	• Cotton, silk, hemp, twin, rope • Natural rubber
	Animal skins	Processed skins of cattle, deer, pigs, snakes, stingrays or other animals	• Leather rawhide, cordwain
	Sand	Sand formed from coral and shells	• White sand • Coloured sand from shells
	Ornamental resources	Products derived from ecosystems that serve aesthetic purposes	• Tagua nut, wild flowers, coral jewellery
Biomass fuel		Biological material derived from living or recently living organisms – both plant and animal – that serves as a source of energy	• Fuelwood and charcoal • Grain for ethanol production • Dung
Fresh water		Inland bodies of water, groundwater, rainwater and surface waters for household, industrial and agricultural uses	• Fresh water for drinking, cleaning, cooling, industrial processes, electricity generation or mode of transportation

Service	*Subcategory*	*Definition*	*Examples*
Genetic resources		Genes, genetic information and micro-organisms used for animal breeding, plant improvement and biotechnology	• Genes used to increase crop resistance to disease or pests
Biochemicals, natural medicines and pharmaceuticals		Medicines, biocides, food additives and other biological materials derived from ecosystems for commercial or domestic use	• Echinacea, ginseng, garlic • Paclitaxel as basis for cancer drugs • Tree extracts for pest control
Regulating services: Contributions to human well-being arising from an ecosystem's control of natural processes			
Regulation of air quality		Influence ecosystems have on air quality by emitting chemicals to the atmosphere (i.e. serving as a "source") or extracting chemicals from the atmosphere (i.e. serving as a "sink")	• Lakes serve as a sink for industrial emissions of sulphur compounds • Tree and shrub leaves trap air pollutants near roads
Regulation of climate	Global	Influence ecosystems have on the global climate by emitting greenhouse gases or aerosols to the atmosphere or by absorbing greenhouse gases or aerosols from the atmosphere	• Forests capture and store carbon dioxide • Cattle and rice paddies emit methane
	Regional and local	Influence ecosystems have on local or regional temperature, precipitation and other climatic factors	• Forests can impact regional rainfall levels
Regulation of water timing and flows		Influence ecosystems have on the timing and magnitude of water run-off, flooding and aquifer recharge, particularly in terms of the water storage potential of the ecosystem or landscape	• Permeable soil facilitates aquifer recharge • River floodplains and wetlands retain water, which can reduce flooding, thereby reducing need for flood control infrastructure
Erosion control		Role ecosystems play in retaining and replenishing soil and sand deposits	• Vegetation such as grass and trees prevents soil loss due to wind and rain and prevents siltation of waterways • Coral reefs, oyster reefs and seagrass beds reduce loss of land and beaches due to waves and storms
Water purification and waste treatment		Role ecosystems play in the filtration and decomposition of organic wastes and pollutants in water and assimilation and detoxification of compounds through soil and subsoil processes	• Wetlands remove harmful pollutants from water by trapping metals and organic materials • Soil microbes degrade organic waste, rendering it less harmful
Regulation of diseases		Influence that ecosystems have on the incidence and abundance of human pathogens	• Some intact forests reduce occurrence of standing water –breeding area for mosquitoes –which lowers prevalence of malaria

Service	*Subcategory*	*Definition*	*Examples*
Regulation of soil quality		Role ecosystems play in sustaining soil's biological activity, diversity and productivity; regulating and partitioning water and solute flow; storing and recycling nutrients and gases; and other functions	• Some organisms aid in decomposition of organic matter, increasing soil nutrient levels • Some organisms aerate soil, improve soil chemistry and increase moisture retention
Regulation of pests		Influence ecosystems have on the prevalence of crop and livestock pests and diseases	• Predators from nearby forests – such as bats, toads and snakes – consume crop pests
Pollination		Role ecosystems play in transferring pollen from male to female flower parts	• Bees from nearby forests pollinate crops
Regulation of natural hazards		Capacity for ecosystems to reduce damage caused by natural disasters such as hurricanes and tsunamis and to maintain natural fire frequency and intensity	• Mangroves and coral reefs protect coastlines from storm surges • Biological decomposition reduces potential fuel for wildfires
Cultural services: Non-material contributions of ecosystems to human well-being			
Recreation and ecotourism		Recreational pleasure people derive from natural or cultivated ecosystems	• Hiking, camping, bird watching • Going on safari, scuba diving
Ethical and spiritual values		Spiritual, religious, aesthetic, intrinsic, "existence" or similar values people attach to ecosystems, landscapes or species	• Spiritual fulfilment derived from sacred lands and rivers • People's desire to protect endangered species and rare habitats
Educational and inspirational values		Information derived from ecosystems used for intellectual development, culture, art, design and innovation	• Structure of tree leaves has inspired technological improvements in solar-power cells • School field trips to nature preserves aid in teaching scientific concepts and research skills
Supporting services: Natural processes that maintain the other ecosystem services			
Habitat		Natural or semi-natural spaces that maintain species populations and protect the capacity of ecological communities to recover from disturbances	• Native plant communities often provide pollinators with food and structure for reproduction • Rivers and estuaries provide nurseries for fish reproduction and juvenile development • Large natural areas and biological corridors allow animals to survive forest fires and other disturbances

Service	*Subcategory*	*Definition*	*Examples*
Nutrient cycling		Flow of nutrients (e.g. nitrogen, sulphur, phosphorus, carbon) through ecosystems	• Transfer of nitrogen from plants to soil, from soil to oceans, from oceans to the atmosphere, and from the atmosphere to plants
Primary production		Formation of biological material by plants through photosynthesis and nutrient assimilation	• Algae transform sunlight and nutrients into biomass, thereby forming the base of the food chain in aquatic ecosystems
Water cycling		Flow of water through ecosystems in its solid, liquid or gaseous form	• Transfer of water from soil to plants, plants to air, air to rain

* Adapted from the Millennium Ecosystem Assessment and expanded by Florence Landsberg, Jo Treweek, M. Mercedes Stickler, Norbert Henninger and Orlando Venn, *Weaving Ecosystem Services into Impact Assessment: A step-by-step method; version 1.0* (Washington, D.C.: World Resources Institute, 2013), https://www.wri.org/publication/weaving-ecosystem-services-into-impact-assessment.

M. Annex II. Outline of the environmental and social impact assessment process and how biodiversity is considered at different steps

The biodiversity baseline is an essential component of the larger environmental management process. The baseline is necessary to inform impact assessment and management planning in the environmental and social impact assessment (ESIA), as well as monitoring and adaptive management over the life of the project. The assessment process should characterize the baseline conditions to a degree that is proportional and specific to the anticipated risk and significance of impacts. The figure below illustrates the integration of biodiversity in the ESIA process.

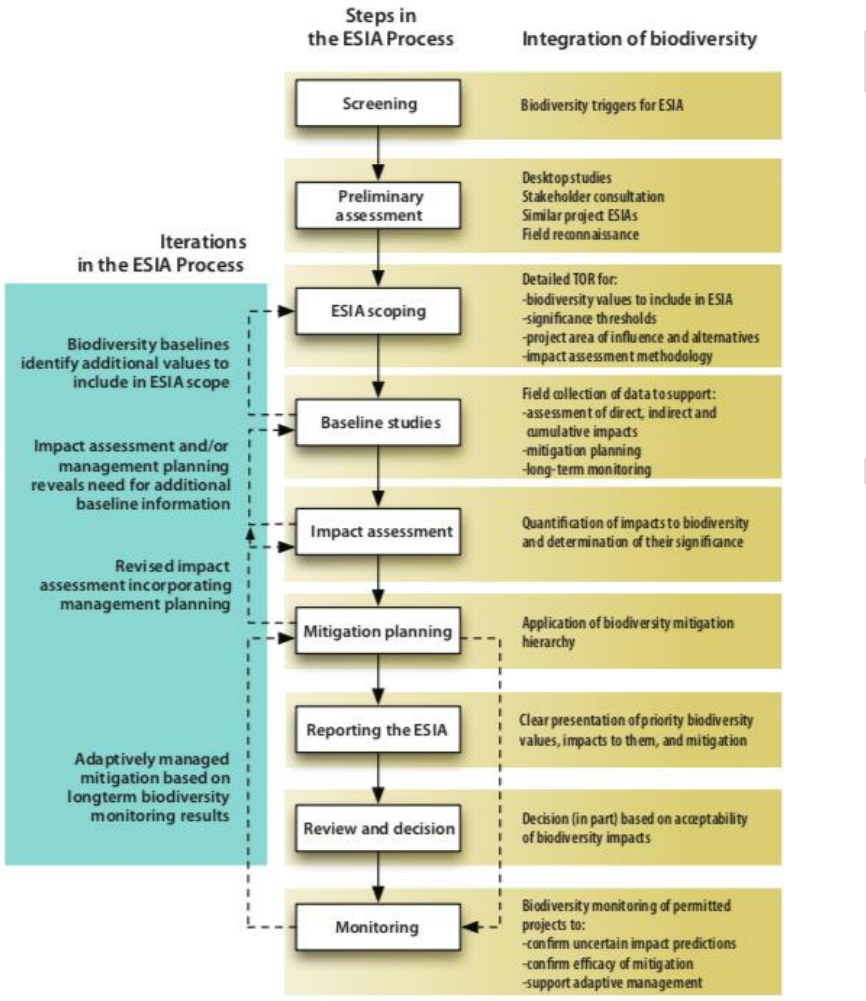

Figure A6
Good practices for the collection of biodiversity baseline data

Source: Jared Hardner, Ted Gullison, Stuart Anstee and Mike Meyer, *Good Practice for Biodiversity Inclusive Impact Assessment and Management Planning* (Multilateral Financing Institutions Biodiversity Working Group, 2015), https://publications.iadb.org/publications/english/document/Good-Practices-for-Biodiversity-Inclusive-Impact-Assessment-and-Management-Planning.pdf.

N. Annex III. Elements of a biodiversity action plan[1]

Where biodiversity values of importance to conservation are associated with a project or its area of influence, the preparation of a biodiversity action plan (BAP) or biodiversity management plan (BMP) provides a useful means to focus a project's mitigation and management strategy. For project activities in critical habitats and protected areas, standard 1notes that a BAP should be in place as part of the appropriate conservation and mitigation plans. For projects solely designed to strengthen biodiversity and maintain or restore ecosystems in areas of critical habitat, the project document itself would constitute such a plan. Projects are strongly encouraged to develop biodiversity plans when also operating in natural habitats or in modified habitats with biodiversity values of importance to conservation.

Targeted biodiversity-related mitigation and management measures may be integrated into more general environmental, social and climate management plans (ESCMPs) or related plans. However, a BAP or BMP provides focused attention to actions in ecologically critical areas. A BAP or BMP may be included as part of a broader ESCMP.

A BAP or BMP is a more targeted instrument for enhancing and conserving biodiversity and ecosystem services in particular habitats, demonstrated on an appropriate geographic scale. A BAP/BMP should seek to achieve net gains to the biodiversity values for which the critical habitat was designated. A BAP or BMP is highly context specific.

There is no one widely recognized, cross-sectoral framework for the development of a BAP or BMP. Typically, a BAP will be undertaken to address significant gaps in information for undertaking biodiversity-related actions (such as insufficient baseline data or understanding of key biodiversity values) whereas a BMP would be developed where adequate information is available for developing appropriate actions.

General elements of a BAP or BMP include the following:

Description of biodiversity context: Identifies national and/or regional biodiversity context; location of projects site(s); relevant physiography; general description of relevant ecosystems, habitats, flora and fauna; and priority biodiversity features and components of elevated significance.

Objectives and targets biodiversity actions and mitigation: Identifies measures and actions to enhance and conserve biodiversity or minimize or mitigate potentially significant adverse social and environmental impacts to acceptable levels, in accordance with the mitigation hierarchy. Describes – with technical details – each biodiversity-related action or mitigation measure, including the type of issue or impact to which it relates and the conditions under which it is required (e.g. continuously or in the event of contingencies), together with designs, implementation descriptions and operating procedures, as appropriate. Takes into account, and is consistent with, other relevant mitigation plans (e.g. indigenous peoples and historically underserved local communities, economic displacement).

Implementation action plan (schedule and cost estimates): Outlines an implementation schedule for measures that must be carried out as part of the project, showing phasing and coordination with overall project implementation plans. Outlines the capital and recurrent cost estimates and sources of funds for implementing the BAP or BMP. Describes institutional arrangements, identifying which party is responsible for carrying out the actions or mitigation and monitoring measures.

Stakeholder engagement: Outlines plan to engage in meaningful, effective and informed consultations with relevant stakeholders, including locally affected groups. Includes information on means used to inform and involve affected people and a description of effective processes for receiving and addressing stakeholder concerns and grievances regarding the project's social and environmental performance.

[1] Adapted from UNDP (2017) Guidance Note, UNDP Social and Environmental Standards, Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management, New York, United States.

Monitoring and reporting: Identifies monitoring objectives and specifies the type of monitoring, with linkages to the biodiversity actions and mitigation measures. Describes parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits (where appropriate) and definition of thresholds that will signal the need for corrective actions. Establishes reporting schedule and format.

Guidance Note 2: Resource efficiency and pollution prevention

O. 1. Introduction

All human activity consumes finite resources (e.g. fossil fuels, minerals, water, etc.) in a manner that may impact livelihoods and the environment at the local, regional and global level. The consumption of raw materials depletes the world's natural stock of resources and may generate pollution. Consumption of fossil fuels is the principle source of greenhouse gas (GHG) emissions associated with any economic activity. Targeting greater efficiencies in the way resources are used can reduce a project's or programme's overall contribution to climate change and increase its sustainability and longevity.

Resource efficiency means reducing the quantity of inputs needed to produce a given output. Not only does the reduced consumption of material inputs (for example water, energy, raw materials) reduce production of by-products, it also reduces the demand on the upstream supply of these inputs, along with their environmental impact.

Resource efficiency and pollution prevention are intrinsically interconnected, as more efficient use of resources typically reduces pollution risks and impacts.

The requirements of IFAD's Social, Environmental and Climate Standard 2: Resource efficiency and pollution prevention and the related screening questions aim at ensuring that IFAD-supported projects and programmes minimize, mitigate and manage any risks and potential adverse impacts that may be related to resource use and pollution. This guidance note seeks to provide further guidelines and information on addressing the requirements as laid out in Standard 2: Resource efficiency and pollution prevention.

This guidance note has been prepared to assist IFAD project development teams (PDTs), grant/loan recipients impact assessment practitioners who may be involved in project or programme appraisals, monitoring or due diligence, and/or other stakeholders who may wish to better understand the key concepts and specific requirements addressed in standard 2. A more thorough breakdown of the roles and responsibilities of IFAD PDT's and borrowers/grant recipients are presented in section 2, below.

This guidance note provides a brief background on IFADs approach to addressing resource efficiency and pollution/emissions (section 1). Section 2 provides an overview of the key steps for addressing resource efficiency and pollution prevention and an overview of the roles and responsibilities for both PDTs and the borrower/recipient/partner within the context of IFAD's Social, Environmental and Climate Assessment Procedures (SECAP) requirements and process.[2]

Section 3 provides an introduction and overview of the requirements for each screening question that is relevant for standard 2, in order to provide assistance with how to adequately approach the screening requirements for project- and programme-level risks.

Section 4 provides a general overview of the assessment and management process (including timing of completion of required planning documents), followed by guidance on each of the relevant environmental and social standard (ESS) requirements for standard 2. This is organized and presented by paragraph number in SECAP volume 2 to facilitate referencing of particular ESS requirements.

Section 5 provides an overview of the key monitoring and implementation issues regarding resource-efficiency and pollution-related risks.

The annexes of this guidance note provide supporting tools and documentation on key elements of the requirements of this standard. However, it is not necessary to read all elements of the annexes; rather they should be used as a resource for when a given requirement of this guidance note is triggered through the screening questionnaire.

[2] IFAD, *Social, Environmental and Climate Assessment Procedures: Volume 1* (Rome: IFAD, 2020). [INSERT LINK WHEN AVAILABLE]

P. 2. Key steps and roles and responsibilities

Table 1 presents a short overview of key process steps for addressing the requirements of Standard 2: Resource efficiency and pollution prevention.

Table 1

Quick overview of key steps for addressing requirements of Social, Environmental and Climate Standard 2: Resource efficiency and pollution prevention

Screen potential risks

- Screen proposed projects using the SECAP screening checklist to identify potential adverse risks and impacts relating to resource usage and pollution/emissions.
- Categorize project risk (low/moderate/substantial/high)
- Develop a stakeholder engagement plan and start early consultation to identify options to avoid potential adverse resource/pollution related impacts and risks (substantial- and high-risk projects).

Assess potential risks and impacts

- For moderate-, substantial- and high-risk projects, assess direct and indirect adverse impacts relating to resource use and pollution/emissions.
- Produce a full environmental and social management framework or environmental impact and social assessment for potential high-risk projects. For substantial-risk projects, produce an abbreviated environmental and social management framework or abbreviated environmental impact and social assessment.
- For moderate-risk projects, prepare an environmental and social management plan. Low-risk projects do not require formal assessment, but may need to meet the requirements of codes of practice.
- Utilize relevant expertise and ensure resource use and pollution related impacts are assessed at appropriate geographic scale.
- Ensure that the level of stakeholder engagement is at a scale appropriate to potential risks/impacts.

Mitigate, manage and monitor risks and impacts

- Apply the precautionary principle and follow the mitigation hierarchy.*
- Develop a management plan that reflects relevant requirements of standard 2. This may require the development and application of a pest management plan. Where specific details and sites of proposed projects are not yet fully defined, develop a management framework. The scale of the plan will vary depending on nature and magnitude of potential risks and impacts.
- Monitor all mitigation measures.

***** The mitigation hierarchy is applied by (a) anticipating and avoiding risks and impacts; (b) where avoidance is not possible, minimizing or reducing risks and impacts; (c) once risks and impacts have been minimized or reduced, mitigating them; and (d) where residual adverse impacts remain, compensating for or offsetting them, where technically and financially feasible.

2.1 SECAP roles and responsibilities

The roles and responsibilities outlined in table 2 describe the major functions of IFAD PDTs and the borrower/recipient/partner in the SECAP process during project identification, preparation and implementation.[3]

[3] Further information is provided in section 1.3 of IFAD, *Social, Environmental and Climate Assessment Procedures: Volume 1* (Rome: IFAD, 2020). [INSERT LINK WHEN AVAILABLE].

Table 2

Roles and responsibilities of IFAD PDTs and the borrower/recipient/partner in the social, environmental and climate assessment procedures process

Project stage	*IFAD PDT*	*Borrower/recipient/partner*
Identification, preparation and development	• Overseeing application of the SECAP processes, including gender mainstreaming. • Screening projects to determine if they trigger all safeguard standards including whether a full or limited ESIA is required. • In addition to the environmental and social screening and categorization process, a parallel exercise should be undertaken by PDTs to determine the exposure and sensitivity of the project objectives to climate-related risks, based on available information about historic climate-hazard occurrences, current climate trends and future climate-change scenarios. • Reviewing and assessing the ESIA terms of reference, the ESIA document/report and project-level plans, including the adequacy of the assessment of project impacts and the proposed measures to address issues to ensure they meet applicable safeguard standards, prior to project approval. • Approving project concept based on a determination that safeguards issues have been adequately addressed. If adverse environmental or social impacts outweigh the expected benefits, IFAD shall not support the project. • Disclosing of ESIA and project-level plans through the IFAD website.	• Providing accurate, reliable and timely information required in the SECAP screening checklist. • Designing, planning and preparing project concepts and proposals according to SECAP requirements. • The costs for preparing the background studies (feasibility studies, ESIAs, RAF/RAP, etc.) will be financed by the borrower/recipient/partner. Upon a written request by the borrower/recipient/partner, studies and assessments may be financed through the Faster Implementation of Project Start-up instrument. For project-level assessments (ESCMF, ESCMP, ESIA, RAF/RAP, FPIC plan, indigenous peoples plans, environment and social audit and/or ex post ESIA, as required) undertaken during project implementation, the associated costs will be included in the project cost, including the cost for ensuring meaningful community participation. • Overseeing the ESIA process, and preparation of project management plans resulting from application of the standards and requirements of SECAP. • Implementing all required consultations with project stakeholders, including informing affected communities and explaining the project to them; incorporating feedback from and changes agreed with them; and obtaining and documenting their free, prior and informed consent (FPIC).
Implementation	• Reviewing and monitoring of implementation of financial, technical, and project-level plans, including through project kick-off/launch workshops, supervision missions, midterm reviews, field visits, audits and follow-up visits as appropriate to the scale, nature and risks of the project. • Working with the borrower/recipient/partner to identify and plan for corrective measures that achieve the results	• Executing project management plans and monitoring the effectiveness of risk mitigation measures; ensuring compliance with and adherence to all safeguards outlined in each of the plans, and undertaking corrective measures in cases where plans have not been executed satisfactorily or where negative or adverse impacts have arisen despite efforts to adhere to project plans. • Informing project-affected local authorities, other stakeholders and IFAD on project progress and on any unexpected and unintended events affecting those

Project stage	*IFAD PDT*	*Borrower/recipient/partner*
	and uphold the safeguard standards expected under each project in cases when a project review finds that the borrower/recipient/partner is not following project-level plans (i.e. any of the safeguard-related management plans required). If these measures do not succeed in correcting the deficiencies, IFAD may withhold payment, or suspend or cancel the grant/loan, as appropriate. • Disclosing completed project evaluations and results through the IFAD website (following donor acceptance, and subject to exclusion of proprietary and personal information).	communities in accordance with project-level plan requirements and the project's agreed-upon reporting schedule. • Incorporating feedback from project-affected parties and providing and documenting the process to obtain their free, prior and informed consent to any changes in the project plan. • Producing a project completion report to document safeguard monitoring.

ESCMF = environmental, social and climate management framework; ESCMP = environmental, social and climate management plan; ESIA = environmental and social impact assessment; FPIC = free, prior and informed consent; PDT = project delivery team; RAF = resettlement action framework; RAP = resettlement action plan; SECAP = Social, Environmental and Climate Assessment Procedures

2.2 Objectives and requirements

The requirements set out in Standard 2: Resource efficiency and pollution prevention of SECAP are designed to achieve the following objectives:

- Avoid, minimize and manage the risks and impacts associated with hazardous substances and materials, including pesticides;
- Avoid or minimize project-related emissions of short- and long-lived climate-change-related pollutants;[4]
- Promote sustainable use of resources, including energy, land and water; and
- Identify, where feasible, project-related opportunities for resource-use efficiency.

Standard 2 outlines a project-level approach to mitigating, minimizing and managing any risks and potential adverse impacts that may be related to resource use and pollution.[5] IFAD requires that key principles are applied. These include a precautionary approach to addressing significant environmental and social risks and impacts through the mitigation hierarchy;[6] the "polluter pays" principle (whereby the cost of mitigation is borne by the polluter, where relevant); and adaptive management techniques (whereby lessons are learned from past management actions and are proactively utilized to predict and improve management as the project implementation progresses). Requirements of standard 2 are also to be considered and addressed in an integrated manner (e.g. together with risks associated with other safeguard

[4] This includes black carbon. Black carbon (BC) has recently emerged as a major contributor to global climate change, possibly second only to CO_2 as the main driver of change. BC particles strongly absorb sunlight and give soot its black colour. BC is produced both naturally and by human activities as a result of the incomplete combustion of fossil fuels, biofuels and biomass. Primary sources include emissions from diesel engines, cook stoves, wood burning and forest fires. Definition from Centre for Climate and Energy Solutions, *What is Black Carbon?* (Arlington, VA, USA: CCES, 2010), https://www.c2es.org/site/assets/uploads/2010/04/what-is-black-carbon.pdf.

[5] This standard is also based on guidelines and practices outlined in IFAD, *Environment and Natural Resource Management: Resilient livelihoods through the sustainable use of natural assets* (Rome: IFAD, 2012), https://www.ifad.org/documents/38711624/39761608/enrm_e.pdf/dc466325-ba8d-4254-8c83-35e17fb62b88.

[6] The mitigation hierarchy is applied by (a) anticipating and avoiding risks and impacts; (b) where avoidance is not possible, minimizing or reducing risks and impacts; (c) once risks and impacts have been minimized or reduced, mitigating them; and (d) where residual adverse impacts remain, compensating for or offsetting them, where technically and financially feasible.

standards) during (a) the screening process, (b) social and environmental assessment and (c) the development and implementation of any needed mitigation measures and management plans.

Q. 3. Screening

Screening helps to determine whether impacts and issues concerning resource efficiency and pollution will be a major project issue and, if so, what features require studying and assessment. Project location and types of activity need to be clearly described. Sectors that typically make significant use of energy include, for example, industrial production, resource extraction, water pumping and transport. However, projects in other sectors may also be significant users of energy; these include waste management, agriculture and large-scale fisheries.

If moderate, substantial or high risks are identified during screening, then relevant standard 2 requirements may need to be addressed in project design and implementation, including as part of overall impact assessment, management and mitigation and monitoring activities.

Table 3 provides some cross-referencing of SECAP resource-efficiency and pollution-prevention screening questions and sections of this guidance note.

Table 3

SECAP resource-efficiency and pollution-prevention screening questions and standard 2 requirements

*SECAP resource efficiency and pollution prevention screening questions**	*Reference to key standard 2 requirements and sections (below) of this guidance note*
Would the project potentially involve or lead to:	
1. The release of pollutants to the environment due to routine or non-routine circumstances, with the potential for adverse local, regional and/or transboundary impacts?	Paras. 6, 7
2. Primary production of living natural resources? (This includes the cultivation or rearing of plants or animals, including annual and perennial crops, animal husbandry (including livestock), aquaculture, plantation forestry, etc.)	Paras. 5, 10, 11, 12, 13, 14, 15
3. Engagement in areas of forestry, including the harvesting of natural forests, plantation development and/or reforestation?	Paras. 10, 14
4. Significant consumption of raw materials, energy and/or water?	Paras. 5, 11, 13, 14
5. Significant extraction, diversion or containment of surface or groundwater? *For example, construction of dams, reservoirs, river basin developments, groundwater extraction*	Paras. 10, 11
6. Inputs of fertilizers and other modifying agents?	Paras. 9, 15
7. Procurement, supply and/or use of pesticides on crops, livestock, aquaculture or forestry?	Paras. 9, 15
8. Is the project located in an area which is being, or has been, polluted by an external source (e.g. a mine, smelter, industry)?	Paras. 6, 8, 9
9. Will the project involve livestock/fisheries – extensive and intensive systems and animal products (dairy, skins, meat, etc.)?	Paras. 10, 13 Annex 3

* Note: The requirements of standard 2 are interrelated and multiple requirements may apply to any one of the SECAP risk screening questions. However, to facilitate addressing the SECAP screening questions, key relevant standard 2 requirements are highlighted here

R. 4. Addressing resource-efficiency and pollution-prevention requirements in assessment and management planning

4.1 Guidance on requirements

The following sections include the specific requirements of Standard 2: Resource efficiency and pollution prevention (in boxes), followed by further guidance. The paragraph numbering ("paragraph XX") corresponds to the numbered standard 2 requirements as outlined in the SECAP volume 1.[7]

Paragraph 4: Resource efficiency
The borrower/recipient/partner will implement technically and financially feasible measures for improving efficient consumption of energy, water and raw materials, as well as other resources. IFAD-supported projects will consider alternatives and implement technically and financially feasible options to reduce project-related GHG emissions, including alternative locations, the use of renewable or low-carbon energy sources, and sustainable agriculture, forestry and livestock-management practices. IFAD projects/programmes will support farmers, livestock keepers and managers of processing facilities in adopting practices that recycle resources (biomass, water, nutrients, energy) in the farming systems and between different sectors (crop, livestock, aquaculture and processing).[8]

To ensure resource efficiency, IFAD-supported projects will need to apply an integrated preventive environmental strategy to products, processes and services. This will increase overall efficiency and reduce risks to humans and the environment by conserving raw materials, water and energy and reducing or eliminating the use of toxic and hazardous raw material. What constitutes efficient use of resources, including energy, water and raw materials, is specific to the project, context and country but should be consistent with good international industry practice (GIIP).[9] Widely accepted benchmarks that describe performance in quantitative terms are available for many industrial and commercial activities for which the unit of output can be readily measured or defined, e.g. process energy use per ton of product. When these benchmarks are available and used in accordance with or to supplement GIIP, they can be used to evaluate project performance on the resource efficiency or pollution intensity requirements of standard 2. IFAD-supported projects should follow the benchmark or guideline of GIIP (e.g. through the established levels of the relevant International Finance Corporation (IFC)/World Bank Group (WBG) environmental, health and safety [EHS] guidelines) or national regulatory requirements. In circumstances where there is differentiation in authorized levels of efficient energy use, the more stringent requirement shall be applied.

Paragraph 5: Pollution prevention
The assessment process will identify technically and financially feasible pollution prevention and control techniques that are best suited to avoid or minimize adverse impacts on human health and the environment. The techniques applied to the project will favour the prevention or avoidance of risks and impacts over minimization and reduction, in accordance with the mitigation hierarchy

[7] See footnote 1, above.
[8] For example, manure from livestock may be used for crop farming; integration of nitrogen fixing trees and crops to improve soil fertility in crop farming may be used to provide animal fodder; and composting of organic waste and nutrient-rich treated wastewater from processing facilities may be used in crop farming.
[9] Such as International Finance Corporation, "Environmental, Health, and Safety Guidelines." IFC. https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/ehs-guidelines. These are technical reference documents with general and industry-specific examples of good international industry practice.

Risk reduction measures should follow a mitigation hierarchy.[10] Standard 2 places significant emphasis on the avoidance of impacts arising from pollution/emissions. The emphasis placed on avoidance should reflect the irreplaceability and vulnerability of the affected area. Projects/programmes should undertake a thorough analysis of pollution risk that includes consideration of the source, nature and magnitude of the emission or discharge, its interaction with the ecosystem and the ambient pollution problem to be addressed. Based on this analysis, appropriate technologies and processes can be selected.

When developing a project that is expected to produce potentially significant amounts of pollutants, the existing background ambient levels should be evaluated in the environmental and social impact assessment (ESIA) to determine if they comply with the relevant ambient quality guidelines and/or standards. Measures should be developed to avoid or minimize emissions of pollutants into sensitive or already degraded water, air or soil environments. Proximity to communities/residential areas should also be considered; the impacts of pollutants on local communities should be addressed in the project's ESIA.

Waste management

Waste can contain solid, liquid or gaseous material that can be reused, recycled, used for energy generation or disposed of. IFAD-supported projects/programmes must always try to first avoid or minimize waste generation. Where this is not possible, the following hierarchy should be followed (from most favourable to least favourable):

- reuse
- recycle
- use waste for energy generation and
- where no other alternative is technically and economically feasible, dispose of adequately.

Inappropriate waste disposal practices can lead to contamination of groundwater and potential fines and/or penalties under national regulations.

Solid (non-hazardous) waste generally includes domestic trash, inert construction/demolition materials, metal scrap and empty containers (except those previously used to contain hazardous materials, which should be managed as a hazardous waste), and residual waste from industrial operations.

One aspect of solid non-hazardous waste that could often be triggered by IFAD-supported projects is that of plastic wastes. Where the use of plastics is involved extensively in a project, a waste prevention/management strategy must be developed to ensure the safe management of said plastic waste. In addition to the implementation of a waste prevention strategy, the total amount of waste (including plastic) may be reduced through the implementation. Of recycling plans, which should consider the following elements:

- Evaluation of waste production process and the identification of potentially recyclable materials
- Investigation of external markets for recycling by other industrial processing operations located in the neighbourhood/area of the intervention (e.g waste exchange)
- Providing training and incentives to employees in order to meet the objectives

If waste materials are still generated after the implementation of feasible waste prevention, reduction, reuse, recovery and recycling measures, waste materials should be treated and disposed of and all measures should be taken to avoid potential impacts to human health and the environment. Selected management approaches should be consistent with the characteristics of the waste and local regulations.

Hazardous wastes share the properties of a hazardous material (such as ignitability, corrosivity, reactivity, or toxicity), or other physical, chemical, or biological characteristics that may pose a

[10] See footnote 5, above.

potential risk to human health or the environment if improperly managed. When a hazardous material is no longer usable for its original purpose and is intended for disposal, but still has hazardous properties, it is considered hazardous waste.

Typically, hazardous wastes include solvents, fuels, asbestos in building materials, PCB oils in electrical equipment, most pesticides and ODS in refrigeration systems. Wastes may also be defined as 'hazardous' by local regulations or international conventions, based on the origin of the waste and/or its inclusion on hazardous waste lists. Hazardous wastes should be segregated from non-hazardous wastes and managed by accredited waste management companies. Waste disposal includes a duty of care requirement which imposes accountability on grant recipient/borrowers to ensure that third parties who transport and dispose of waste do so in ways that are safe, secure and legal. One area of IFAD-supported project activities that could be classified as hazardous waste is that of medical waste. Any projects use of medicines/medical equipment shall follow national and international regulations and best practice with regards to the safe storage and disposal of medical waste.

Paragraph 6: Air pollution
In addition to the requirements outlined in both paragraphs 5 and 6 (on resource efficiency and pollution prevention, respectively) of this standard, the borrower/recipient/partner will consider alternatives and implement actions to avoid or minimize project-related air emissions during the design, construction and implementation of the project/programme.

Air pollution emissions are typically associated with processes such as fossil fuel combustion. They take the form of a range of gases and particulates, depending on the industry sector, such as carbon dioxide (CO_2), nitrogen oxides, sulphur dioxide, carbon monoxide, ammonia, volatile organic compounds, ozone depleting substances (ODS) and metals. Air emissions are generated by three types of source:

- Stationary sources such as power plants, oil refineries, industrial facilities and factories;
- Area sources such as agricultural areas, cities and wood-burning fireplaces; and
- Mobile sources such as cars, buses, planes, trucks and trains.

PDTs shall determine whether the borrower/recipient/partner has systems in place to be able to manage and monitor the air emissions associated with their operations. In some cases (primarily for emissions related to emissions from heavy industry or stationary sources), this may require qualitative or quantitative assessments and atmospheric dispersion models[11] to assess potential ground-level concentrations and environmental impacts.

At a facility level, air emissions must not result in pollutant concentrations that exceed emission limits or ambient air quality standards set by national authorities. Pollutant concentrations can also be compared to GIIP to identify any deviations that might indicate poor performance.[12]

Additional assessment and monitoring should be conducted for projects or programmes that generate significant emissions (as determined by national law or GIIP) and efforts made to reduce emissions over the life of the project or programme.

The options for reducing or preventing air pollution include a combination of approaches, such as enhancing energy efficiency; process modification; selection of fuels or other materials with less polluting emissions; and application of emissions control techniques. Options for reducing GHG emissions include alternative project locations; adoption of renewable or low-carbon energy sources; alternatives to refrigerants with high global-warming potential; more sustainable agricultural, forestry and livestock management practices; the reduction of fugitive emissions and gas flaring; carbon sequestration and storage; sustainable transport alternatives; and proper waste management practices.

While closely related, more explicit guidance and requirements on the release of GHG emissions are covered in Standard 9: Climate change and the associated guidance note.

Paragraph 7: Historical pollution
If project/program activities will generate significant emissions in previously polluted/degraded areas, the borrower/recipient/partner will adopt measures that avoid and minimize potential negative effects, including potential alternative siting.

When a project or programme will influence or be influenced by historical pollution, the borrower/recipient/partner will establish a process to identify the responsible party. If the

[11] See Peter Mullinger and Barrie Jenkins, "Chapter 10 – Emissions and Environmental Impact", in *Industrial and Process Furnaces,* 2nd Edition (Butterworth-Heinemann, 2013), 377-413, https://www.sciencedirect.com/science/article/pii/B9780080993775000101?via%3Dihub.

[12] See the applicable IFC/WBG EHS guidelines (footnote 8, above).

historical pollution could pose a significant risk to human health or the environment, the borrower/recipient/partner will undertake a health-and-safety risk assessment of the existing pollution that may affect communities, workers or the environment. Any remediation of the site will be undertaken appropriately in accordance with national law and GIIP, whichever is more stringent. In such a situation, the project's health-and-safety risk assessment should be proportionate to the potential risks and impacts of the historical pollution of land and water resources, among other resources, and may be conducted as part of the ESIA.

Paragraph 8: Hazardous materials[13]
IFAD-supported projects will avoid or minimize the potential for community exposure to hazardous materials and substances that maybe released by the project. Where there is potential for the public to be exposed to hazards, projects will exercise special care to avoid or minimize their exposure by modifying, substituting or eliminating the condition or material causing the potential hazards. IFAD-supported projects will not support the manufacture, trade or use of chemicals or hazardous substances subject to international bans, restrictions or phase-outs unless for acceptable purposes as defined by the relevant convention or protocol (e.g. Montreal Protocol on Substances that Deplete the Ozone Layer,[14] the Minamata Convention on Mercury,[15] the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal,[16] the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade[17] and the Stockholm Convention on Persistent Organic Pollutants[18]).

Hazardous materials: Should be adequately stored to avoid any release that could have an impact on workers, communities, biodiversity and ecosystem services (e.g. water, soil). Projects shall have management plans covering the handling of hazardous materials.
If a project's activities involve the use of pesticides, management plans to ensure they are handled adequately should be implemented, which will be further outlined in paragraph 15 Pesticide use and management of this guidance note.

[13] See also the discussion of paragraph 17: Hazardous materials in Guidance Note 6: Community health, safety and security, below.
[14] United Nations Environment Programme, "The Montreal Protocol on Substances that Deplete the Ozone Layer." UNEP Ozone Secretariat. https://ozone.unep.org/treaties/montreal-protocol.
[15] United Nations Environment Programme, "Minamata Convention on Mercury." http://www.mercuryconvention.org/.
[16] United Nations Environment Programme, "Basel Convention." http://www.basel.int/.
[17] United Nations Environment Programme and Food and Agriculture Organization of the United Nations, "Rotterdam Convention." http://www.pic.int/.
[18] United Nations Environment Programme, "Stockholm Convention." http://chm.pops.int/.

Paragraph 9: Sustainable management of living natural resources
Any IFAD-supported project shall ensure the sustainable management of living natural resources (e.g. forests, agriculture, fisheries, livestock) in accordance with article 10 of the Convention on Biological Diversity. In doing so, it shall apply appropriate industry-specific best management practices and, where codified, credible certification and verification systems. IFAD shall require the borrower/recipient/partner to adopt appropriate measures, where relevant, to promote animal welfare, control for potential invasiveness or escape of production species, and minimization of antimicrobial resistance. IFAD supports small-scale landholders to harvest and produce living natural resources in a sustainable manner.[19]

Sustainable management of living natural resources involves the use, development and protection of these resources in a way or at a rate that enables people and communities to provide for their current social, economic and cultural well-being while maintaining the potential of these resources to meet the reasonably foreseeable needs of future generations. This includes safeguarding the life-supporting capacity of atmospheric, hydrological and soil systems supporting these living natural resources. Sustainable management also requires that people who are dependent on these resources are properly consulted, enabled to participate in development and share equitably in the benefits of that development.

IFAD-supported projects should address sustainable management through the application of appropriate industry-specific good management practices and available technologies. In recent years a number of industry sectors have developed and/or adopted formal environmental and social sustainability standards that incorporate good environmental and social practice. [20] Some sustainable management standards require assessments be made to identify biodiversity values in managed landscapes, such as agricultural and forestry areas (e.g. Forest Stewardship Council (FSC), Roundtable on Sustainable Palm Oil (RSPO), the Better Sugarcane Initiative (Bonsucro) and the Sustainable Agriculture Network). Given the requirement to adhere to GIIP for sustainable management of living natural resources, IFAD-supported projects should avoid slash-and-burn/fire-fallow cultivation. IFAD-supported project should ensure adherence to such formal standards through independent audit and verification or certification of compliance.

The certification system used should be independent, cost-effective, based on objective and measurable performance standards, and developed through consultation with relevant stakeholders such as local people and communities, indigenous peoples and historically underserved local communities, and civil society organizations representing consumer, producer and conservation interests. Such a system should have fair, transparent and independent decision-making procedures that avoid conflicts of interest. In general, standards that conform to the ISEAL code of good practice for setting social and environmental standards[21] will be consistent with the above requirements.

In the absence of an appropriate certification system, the project team may choose to demonstrate sustainable natural resource management through an independent evaluation of management practices.

[19] See Convention on Biological Diversity, *Decision Adopted by The Conference of The Parties to The Convention on Biological Diversity at its Seventh Meeting: VII/12. Sustainable Use (Article 10)* (Montreal, Canada: CBD, 2004), Annex II: Addis Ababa Principles and Guidelines for the Sustainable Use of Biodiversity. https://www.cbd.int/doc/decisions/cop-07/cop-07-dec-12-en.pdf.

[20] A key resource for updates on sustainability standards and management practices is the International Trade Centre's Standards Map (www.standardsmap.org). In the forestry sector, sustainable forest management standards include those developed by the Forest Stewardship Council (FSC, https://ic.fsc.org/en) and a range of national forest standards. Commodity-specific multi-stakeholder initiatives have been developed such as the Roundtable on Sustainable Palm Oil (RSPO, http://www.rspo.org). There are comparable initiatives currently under development in other commodity sectors (sugar cane, cotton, soy, etc.).

[21] ISEAL Alliance, *Setting Social and Environmental Standards: ISEAL Code of Good Practice; Version 6.0* (London: ISEAL Alliance, 2014), http://www.isealalliance.org/sites/default/files/resource/2017-11/ISEAL_Standard_Setting_Code_v6_Dec_2014.pdf

Where the project involves production, harvesting and/or management of living natural resources by small-scale landholders and/or local communities, the application of sector-specific certification schemes may be too onerous. In such cases, project developers should instead support adoption of appropriate and culturally sensitive sustainable resource management practices and seek to improve practices where such opportunities exist.[22] Preference should be given to small-scale community-level management approaches where they best reduce poverty in a sustainable manner.

Paragraph 10: Water usage

IFAD is committed to assessing, avoiding, minimizing and mitigating the potential negative environmental and social impacts that may arise from the implementation of water projects. IFAD-supported projects often support communities in improving their access to water resources for irrigation, livestock and domestic use. Depending on the water source, extraction of water for these purposes may affect water flows and hydrological dynamics in the landscape. Overuse of agrochemicals, aquaculture activities and wastewater from agroprocessing facilities may also be sources of pollution of water resources, affecting downstream users and ecosystems. For such projects affecting water resources, IFAD promotes an integrated water resources management approach that seeks the coordinated development and management of water, land and related resources in order to maximize economic and social welfare in an equitable manner and without compromising the sustainability of ecosystems. IFAD commits to the following principles in developing water resources:

- Application of integrated water resources management principles;
- Conservation of catchment areas for irrigation systems, pounds and rainwater harvesting structures;
- Investing in groundwater pumping only if risks of over pumping can be adequately addressed; supporting farmers in adopting systems for monitoring groundwater quality and quantity and water budgeting to avoid over pumping;
- Promoting water-saving approaches and improving water-use efficiencies in all sectors;
- Promoting the preservation of water quality in the communities in which it operates, integrated pest management and integrated soil fertility management to minimize the use of agrochemicals, and proper treatment of wastewater before it is discarded;
- Improving energy and resource use efficiency in water management;
- Recognize the importance of ecosystem services and respecting the natural water cycle, including the adequate ecological flows; and
- Strengthening water governance through investments in policy, institutional and human development.

Projects should assess the cumulative impacts of water use and implement appropriate mitigation measures such as water demand management, efficiency measures, benchmarking usage, alternative supplies, resource contamination avoidance, mitigation of impacts on downstream users and water use offsets. Projects and programmes will apply good international practice[23] for water conservation and management, including for irrigation activities and wastewater usage.

IFAD-supported water-related projects or programmes should conduct thorough assessments of water availability in the project area, including seasonal and multi-year variations in water tables and precipitation, as well as water resource demand.

[22] One example of such an approach is the Forest Stewardship Council's certification for small low-intensity managed forests. See Forest Stewardship Council, "Small and Low Intensity Managed Forests." FSC. https://ca.fsc.org/en-ca/certification/forest-management-certification/small-low-intensity-forests.

[23] Such as the Convention on the Protection and Use of Transboundary Watercourses and International Lakes (United Nations Economic Commission for Europe, "About the UNECE Water Convention." UNECE. https://www.unece.org/env/water/text/text.html).

Where project activities may restrict or alter riverine systems (e.g. dams, significant water diversion or withdrawals), the project shall ensure that it does not contribute to further degradation of freshwater ecosystems. Environmental flow[24] should be analysed and managed, preferably at the river-basin level.
In addition, if an IFAD-supported project might negatively affect the quality or quantity of water in an international waterway, IFAD or its partner should notify all riparian states in writing, so that the states have the opportunity to raise objections or concerns or to request additional information. In situations where there is an international body that coordinates management of the waterway, such as a river basin commission, formal presentation of the proposed project at a meeting of that body will meet this notification requirement.
Measures to minimize impacts on water quality include reducing or eliminating on-site and post-project run-off of polluted water, controlling sources of pollutants and treating contaminated water before discharge into drainage systems or receiving waters, in a manner consistent with GIIP or other compatible good practices.
Mitigation measures to reduce adverse impacts on water quality and availability (quantity and timing) for other uses include:

- Avoiding impacts by re-siting the project;
- Applying technical and policy-level resource-efficiency measures to reduce system impacts such as reverse-osmosis-based water recovery, dry cooling and minimizing evaporation/evapotranspiration, and polluter pays principle;
- Improving irrigation systems and applying irrigation scheduling;
- Using recycled urban water;
- Promoting soil-water conservation measures (such as conservation tillage and incorporation of crop residue where appropriate); and
- Promoting rational use of fertilizers and better management of animal wastes.

Box 1. Resources and further guidance on water use/conservation

- International Finance Corporation, E*nvironmental, Health, and Safety (EHS) Guidelines: General EHS Guidelines; Environmental - Water conservation* (Washington, D.C.: IFC, 2007), https://www.ifc.org/wps/wcm/connect/8e307e4e-7668-4049-b163-f8d00f0cdef7/1-4%2BWater%2BConservation.pdf?MOD=AJPERES&CVID=ls4XhtY.
- Jan Hassing, Niels Ipsen, Torkil Jønch Clausen, Henrik Larsen and Palle Lindgaard-Jørgensen, *Integrated Water Resources Management in Action* (Paris: United Nations Educational, Scientific and Cultural Organization, 2009), https://unesdoc.unesco.org/ark:/48223/pf0000181891.
- IFAD, The Water Advantage: Seeking sustainable solutions for water stress (Rome: IFAD, 2018), https://www.ifad.org/documents/38714170/40321109/water_advantage.pdf/38bcdc9a-ac30-4883-aff0-7c272997e809.

Paragraph 11-12: Fisheries resources

Overfishing and risks of collapsing fish stocks are challenges faced in many inland and coastal communities where small-scale fishers operate. Coastal ecosystems with particular importance for the reproduction of fisheries biomass, such as spawning grounds and habitats for juveniles, are also being degraded or destroyed. IFAD projects supporting small-scale capture fishing will identify risks of overfishing and destruction of coastal habitats, supporting communities and fisheries authorities in the

[24] Environmental flow is the quantity, quality and timing of water flows required to sustain freshwater ecosystems and the human livelihoods and well-being that depend on these ecosystems.

sustainable management of fisheries resources and coastal ecosystems. This will include building capacities of small-scale fishers for their participation in fisheries co-management and governance of rights to fishing grounds. These small-scale fisheries should be supported in adopting adequate equipment and respecting closure periods and zones to avoid the capture of juveniles and reduce by-catch and discards. When relevant, the unintended catch of threatened species, such as sea turtles, should be avoided using excluder devices. Coastal ecosystems with specific importance for reproduction of fisheries resources should be protected.

Both fisheries and aquaculture projects can result in adverse environmental and social impacts. For fisheries, potential environmental issues include overfishing, capture and discarding of non-target species (by-catch) and habitat damage. Environmental impacts and risks of aquaculture include conversion of wetlands and clearing of coastal vegetation/habitats, poor aquaculture siting,[25] changes in hydrology,[26], introduction of invasive and exotic species, and impacts on human and animal health.

(x) Potential mitigation measures

1) Fisheries

Mitigation measures to resolve or alleviate the negative impacts of fisheries and aquaculture are often simple and straightforward; however, it should be kept in mind that considerable monitoring of fish and water quality may be necessary during and after project implementation. Environmental monitoring capacity in developing countries is often inadequate and should be improved throughout project implementation.
The following mitigation measures should be considered for inclusion in the project's environmental, social and climate management plan (ESCMP) for capture fisheries:

- Overfishing can be avoided or mitigated by making a provision for comprehensive and accurate baseline information on fish stocks, predicting potential impacts of fisheries operations, and evaluating the significance of these impacts. Conducting stock assessment and stock monitoring based on biological reference points can support sustainable fishing through the ecosystem management approach. This information should form the basis for preparing fishery management plans for optimum sustained yields, including measures for reducing fishing capacity such as selective gear size, limited fishing zones and seasons and minimum fish size, and enforcement of marine protected area regulations. Attention should be given to the reduction of post-harvest waste, artificial habitat technologies appropriate for aquaculture, and promoting the eco-labelling of products from sustainable sources.
- Capture of non-target species can be avoided or mitigated through increased education and awareness of fishers and vessel operators, reducing use of damaging fishing equipment and practices, development of markets for non-target species, and promotion of selective gear and improved gear technology (e.g. biodegradable material, collapsible traps). One example of good practices is the use of turtle excluding devices to avoid unintended trapping of sea turtles in fish trawl nets.
- Habitat damage can be avoided or mitigated through such actions as public education, provision of oil disposal sites, designation of anchoring sites and effective enforcement of

[25] The siting of ponds in valleys and lowlands interferes with other water uses, such as irrigation, washing, drinking and urban expansion. The placing of fish cages in navigation waterways or areas used for domestic purposes can generate serious conflicts. Siting of infrastructure and design standards for fish production and processing may also overlook some of the climate-related risks and exposure to damage factors such as extreme climate events, thus making the investments unsustainable

[26] Water quality is affected by stagnation, acidification, and pond effluents if fish farming is poorly practised and regulated. Nutrient and organic enrichment of recipient waters result in the build-up of anoxic sediments, high concentrations of fish waste and uneaten food, which can lead to oxygen depletion and alteration of other water quality parameters (e.g. pH) and contribute to harmful algal blooms and other forms of eutrophication

regulations against destructive fishing practices.[27] Increased demand for fuelwood for smoking fish can be mitigated by promoting energy-efficient stoves for smoking, developing knowledge and infrastructure for fish drying, establishing marine protected areas, and replanting mangrove and other forest resources.

- Community compliance can be promoted through public environmental education and strengthening the formal and informal fisheries management institutions, ensuring that they can protect tenure rights of fishing communities to common pool resources. Capacity-building, information-sharing and community participation in management contribute to building a sense of ownership, which promotes sustainable resource use. Formation of fishers' cooperatives can empower local communities, ensure compliance and protect artisanal fisheries from conflicts with commercial fishing vessels.
- Fish preservation and value addition can be enhanced through the development of cold chains, solar-processed products and advocacy for eco-labelling products that meet sustainability criteria.

2) Aquaculture

Avoidance and mitigation measures to be incorporated in the ESCMP for aquaculture projects may include the following:

- Using locally adapted technologies where fish farming can be practised without significantly altering the local ecosystem.
- Minimizing conversion of wetlands and clearing of coastal vegetation. Prepare development plans that set aside areas of particular ecological significance, avoiding locating aquaculture projects in fragile areas such as wetlands and mangrove forests.
- Siting fish ponds and drawing up development plans that ensure equitable distribution of land and water resources among different users. Aquaculture in common-use water pools must not obstruct access to water for domestic use and livestock. Infrastructure related to fish processing should also be sited in locations where exposure to extreme climate events is considered low; building standards should be adjusted to factor in climate risks.
- Practising good water management. Ensure adequate pond water exchange and flushing systems and dilution or treatment of pond water prior to release. Ensure careful application of feeds, fertilizers and other inputs based on recommended standards to avoid excess usage and water pollution. Regularly monitor water quality in ponds and the wider environment to ensure that it meets required standards for the safe production of fish and aquaculture products. Special attention must be paid to excessive use of antibiotics.
- Promoting biodiversity conservation. The introduction of exotic species and genetically modified organisms into new environments should not be permitted until extensive research has been carried out into potential long-term impacts. Establish reserved areas for natural regeneration; restock, protect and maintain native species; and limit disturbance to other vegetation and landforms.
- Advocating for eco-labelling schemes that certify fish production from sustainable farming practices.[28]
- Promoting community compliance with aquaculture standards. Community education and empowerment are vital and can be achieved through capacity-building, training, organization

[27] Destructive fishing practices include bottom trawling, use of cyanide and explosives, ghost fishing, commercial/recreational use of gill nets and traps with high incidental take, and "high-grading" – discarding lower-quality portion of the target catch.
[28] For example: Dolphin Safe, Marine Stewardship Council, Friends of the Sea.

into cooperatives, and participatory management practices that allow communities to contribute, enhance ownership and support sustainable resource use.

Box 2. Resources and further guidance fisheries and aquaculture

- IFAD. 2014. Guidelines for Integrating Climate Change Adaptation and Mitigation Options for Fisheries and Aquaculture into Project Design. ICAFIS/IFAD. https://www.ifad.org/documents/38714170/39135645/fisheries.pdf/17225933-cea1-436d-a6d8-949025d78fbd
- Food and Agriculture Organization of the United Nations, "Code of Conduct for Responsible Fisheries." FAO. http://www.fao.org/fishery/code/en.
- Organisation for Economic Co-operation and Development, "Climate Change and Fisheries." OECD. http://www.oecd.org/greengrowth/fisheries/climatechangeandfisheries.htm.

Paragraph 13: Soil management

IFAD-supported projects should avoid – and where avoidance is not possible, minimize – adverse impacts on soils, their biodiversity, organic content, productivity, structure and water-retention capacity. Projects should support farmers in adopting integrated soil and water management practices and practices that recycle biomass and nutrients to conserve and, when needed, restore soils and their biodiversity, organic content, productivity, structure and water-retention capacity. Practices that cause land degradation, soil erosion, degradation of soil organic matter and soil nutrient mining must be avoided. When relevant, farmers should also be supported in managing soil salinity.

Sustainable soil management is an essential element of sustainable agriculture and is central to sustainable intensification, climate -change resilience and safeguarding ecosystem services and biodiversity. The updated World Soil Charter lists nine guiding principles that guide all actions to ensure that soils are managed sustainably and that the functions of degraded soils are rehabilitated or restored.[29] IFAD will integrate these principles into its projects, as appropriate, to ensure sustainable soil management and to promote restoration of degraded soils.

Soil management may focus on differences in soil types and soil characteristics to define specific interventions that are aimed to enhance the soil quality for the land use selected. Specific soil management practices are needed to protect and conserve soil resources.[30] Specific interventions also exist to enhance the carbon content in soils in order to mitigate climate change.[31]

Actions to avoid or minimize adverse impacts on soils include limiting the clearing of land to the areas that are most suitable for agricultural production and should identify areas that should not be cleared; avoiding clearing land during the rainy season; protecting cleared areas with plant remnants and other material (litter, mulch, etc.); and avoiding the use of fire as a land-clearing method. IFAD encourages an integrated approach to agriculture and forestry, particularly in the buffer zones. Projects should also promote integrated soil fertility management, which is conducive to climate-change adaptation.

Rangeland-based livestock activities require specific actions to ensure that they do not harm soils. These are addressed in annex III of this guidance note.

Guidelines for the assessment and documentation of sustainable soil and land management techniques and approaches have been developed by, for example, the World Overview of

[29] Food and Agriculture Organization of the United Nations, Updated World Soil Charter (Rome: FAO, no date), http://www.fao.org/fileadmin/user_upload/GSP/docs/plenary_assembly_II/WSC_EndorsedPA.pdf.
[30] See Food and Agriculture Organization of the United Nations, "FAO Soils Portal: Soil conservation." FAO. http://www.fao.org/soils-portal/soil-management/soil-conservation/en/.
[31] See Food and Agriculture Organization of the United Nations, "FAO Soils Portal: What is soil carbon sequestration?" FAO.. http://www.fao.org/soils-portal/soil-management/soil-carbon-sequestration/en/

Conservation Approaches and Technologies (https://www.wocat.net/en/) and the Food and Agriculture Organization of the United Nations (FAO).[32]

Paragraph 14: Forest resources
IFAD projects in areas with threatened forest ecosystems should support communities and farmers in adopting practices for sustainable forest management, agroforestry on hillsides and other land with a forest vocation, efficient cook stoves and alternative energy sources to wood. Such practices will also have a positive impact on women's and children's respiratory health and time poverty (women are the most affected by smoke while cooking and they are often responsible for collecting the firewood). Any IFAD-supported project will ensure compliance with national and international laws, conventions and treaties, such as the United Nations Framework Convention on Climate Change and the United Nations Programme on Reducing Emissions from Deforestation and Forest Degradation, plus the sustainable management of forests and the conservation and enhancement of forest carbon stocks). IFAD-supported projects should avoid the construction of roads and other infrastructure in natural forests and other sensitive habitats. IFAD commits to strengthening forest governance through investments in policy, institutional and human development.

IFAD-supported forest-related projects should avoid clearing of forest land for agricultural or other purposes and other actions that may inadvertently result in forest conversion or degradation, such as construction of roads.
For projects involving industrial-scale commercial forest harvesting operations, the borrower/recipient/partner will ensure that such operations are certified under an independent forest certification system (e.g. Forest Steward Council FSC, Programme for the Endorsement of Forest Certification[33])[34] or adhere to a time-bound phased action plan acceptable to IFAD for achieving certification to such a system.
For projects involving forest harvesting operations conducted by small-scale producers or local communities under community forest management, the borrower/recipient/partner will ensure that they:

- have achieved a standard of sustainable forest management developed with the meaningful participation of project-affected parties including indigenous peoples and historically underserved local communities (as specified by SECAP Standard 4: Indigenous peoples and historically underserved local communities), consistent with the principles and criteria of sustainable forest management, even if not formally certified; or
- adhere to a time-bound action plan to achieve such a standard. The action plan will be developed with the meaningful participation of project-affected parties and be acceptable to the requirements of IFAD/SECAP. The borrower/recipient/partner will ensure that all such operations are monitored with the meaningful participation of project-affected parties.

(xi) Mitigation measures

The following are specific measures for mitigating the negative impacts of deforestation; these and any site-specific measures identified in ESIAs or other environmental studies can be included in project ESCMPs:

[32] Food and Agriculture Organization of the United Nations, *Voluntary Guidelines for Sustainable Soil Management* (Rome: FAO, 2017). http://www.fao.org/3/a-bl813e.pdf.
[33] http://www.fao.org/sustainable-forest-management/toolbox/modules/forest-certification/further-learning/en/?type=111
[34] An independent forest certification system will require independent, third-party assessment of forest management performance. It should be cost-effective and based on objective and measurable performance standards that are defined at the national level and are compatible with internationally accepted principles and criteria of sustainable forest management.

- ***Vegetation**:* Identify and establish protected areas/parks for ecologically significant forest areas, encourage the integration of trees and shrubs that maintain or enhance biodiversity and ecosystem functionality, and minimize damage to surrounding wooded areas. Establish multipurpose forest areas such as grazing reserves.
- ***Biodiversity:*** Determine whether endangered species[35] are present and ensure that adequate areas are available for the migration of wildlife and conservation measures are in place (protect the change of status from natural forest to officially protected forest area).
- ***Soils:*** Limit the clearing of land systems to the areas that are most suitable for agricultural production, and identify areas that should not be cleared. Avoid clearing during the rainy season, and protect cleared areas with plant remnants and other material (litter, mulch, etc.). Avoid the use of fire as a land clearing method. Encourage the combination of and interaction between agriculture and forestry, particularly in the buffer zones. These activities also promote integrated soil fertility management, which is a good practice and low regret option for climate change adaptation.
- ***Water:*** Maintain vegetation as a buffer zone along all streams and bodies of water, emphasizing the importance of riparian vegetation. Provide adequate facilities for the disposal of agricultural wastes. If appropriate, reward upstream land practices that improve the quality and quantity of water available for downstream users.
- ***Reforestation and afforestation activities:*** Limit the negative environmental effects of these activities by carefully selecting the locations and tree species to be planted. Consider avoidance of monoculture forestation efforts and selection of species that are able to adapt to the projected climate contexts of the project site.

Box 3. Resources and further guidance on certification of forestry products/activities

- Forest Stewardship Council, "Certification," FSC, https://us.fsc.org/en-us/certification.
- Sustainable Communities Online, "SmartWood Certification," Sustainable Communities Online, https://www.sustainable.org/environment/land-forests-a-ecosystems/1080-smartwood-certification.

Paragraph 15: Pesticide use and management

IFAD promotes safe pesticide and fertilizer use by ensuring that the correct investments and capacity-building activities for the selection, distribution, storage, application and disposal of pesticides and fertilizers are included in all projects. Integrated pest management and integrated vector management approaches are utilized that entail coordinated use of pest and environmental information along with available pest/vector control methods, including cultural practices, biological, genetic and, as a last resort, chemical means to prevent unacceptable levels of pest damage.

Where recourse to pesticide use is deemed necessary, IFAD will ensure safe, effective and environmentally sound pest management in accordance with the World Health Organization (WHO)/FAO *International Code of Conduct on Pesticide Management*[36] for the safe labelling, packaging, handling, storage, application and disposal of pesticides. Hazards of pesticide use will be carefully considered; pesticides selected will be those that are the least toxic pesticides that are known to be effective, have minimal effects on non-target species and the environment, and minimize risks associated with development of resistance in pests and vectors. A pest management plan will be developed where use of a significant volume of pesticides is foreseen. IFAD-supported projects will not supply or use pesticides that contain active ingredients that are banned or restricted under applicable international treaties and agreements, or meet the criteria of carcinogenicity, mutagenicity or reproductive toxicity as set forth by

[35] See https://www.iucnredlist.org/
[36] World Health Organization and Food and Agriculture Organization of the United Nations, *The International Code of Conduct on Pesticide Management* (Rome: FAO, 2014), http://www.fao.org/fileadmin/templates/agphome/documents/Pests_Pesticides/Code/CODE_2014Sep_ENG.pdf.

relevant international agencies.[37] Users of any pesticides will be trained to handle pesticides in a proper and responsible manner and utilize appropriate application equipment and adequate personal protective equipment.

Annex II provides details of the potential risks and mitigating measures that can be taken concerning fertilizer and pesticide use in IFAD-supported projects and programmes.
Pesticides proposed for procurement under the project must be checked against the criteria of carcinogenicity, mutagenicity, or reproductive toxicity outlined in the pesticide's material safety data sheet and as outlined in the *Globally Harmonized System of Classification and Labelling of Chemicals (GHS)*[38].
The ESIA should consider relevant international conventions (see footnote 42) as they relate to the project, regardless of whether the borrower/recipient/partner is a party to those conventions. The requirements of the conventions, protocols and agreements should be addressed, as relevant, in any proposed mitigation measures.
If pesticides are to be applied, the project/programme should provide training and awareness-raising for personnel handling and applying pesticides to avoid harm to personnel and avoid environmental issues such as surface and groundwater pollution, wind drift beyond the targeted area and other adverse side effects.

All IFAD-supported projects must assess pest and vector management and its linkages to post-harvest loses must be assessed and screen them for potential risks. If the project promotes post-harvest use of pesticides for storage of grains at household level, training should be provided on:

- Correct household storage, handling and use of storage pesticides;
- Correct disposal of left-over chemicals and pesticide containers; and
- Use and care of protective clothing (face masks, gloves, boots, etc.).

If post-harvest treatment includes or requires the use of fumigation, training should be provided on:

- Correct household storage, handling and use of fumigation pesticides;
- Correct disposal of fumigation containers; and
- Use and care of protective clothing (face masks, gloves, boots, etc.).

Box 4. Resources and best practice on pesticide use and management

- World Health Organization and Food and Agriculture Organization of the United Nations, *Manual on Development and Use of FAO and WHO Specifications for Pesticides*, 1st ed., third revision (Geneva, Switzerland: WHO, 2016), https://www.who.int/whopes/resources/9789251092651/en/.

[37] Including those that meet the criteria for highly hazardous pesticides identified by WHO and FAO: (1) pesticide formulations that meet the criteria of classes Ia or Ib of the WHO Recommended Classification of Pesticides by Hazard (https://www.who.int/foodsafety/publications/classification-pesticides/en/; (2) pesticide active ingredients and their formulations that meet the criteria of carcinogenicity, mutagenicity, and reproductive toxicity Categories 1A and 1B of the United Nations *Globally Harmonized System on Classification and Labelling of Chemicals (GHS)* (https://www.unece.org/fileadmin/DAM/trans/danger/publi/ghs/ghs_rev04/English/ST-SG-AC10-30-Rev4e.pdf); (3) pesticide active ingredients listed by the Stockholm Convention (http://www.pops.int/) in its Annexes A and B, and those meeting all the criteria in paragraph 1 of annex D of the Convention; (4) pesticide active ingredients and formulations listed by the Rotterdam Convention (http://www.pic.int/) in its Annex III; (5) pesticides listed under the Montreal Protocol (https://ozone.unep.org/treaties/montreal-protocol); and (6) pesticide active ingredients and formulations that have shown a high incidence of severe or irreversible adverse effects on human health or the environment.
[38] United Nations, *Globally Harmonized System of Classification and Labelling of Chemicals (GHS)* (New York, USA: United Nations, 2011), https://www.unece.org/fileadmin/DAM/trans/danger/publi/ghs/ghs_rev04/English/ST-SG-AC10-30-Rev4e.pdf

- Food and Agriculture Organization of the United Nations, *International Code of Conduct on the Distribution and Use of Pesticides*, revised version (Rome: FAO, 2003), http://www.fao.org/3/y4544e/y4544e00.htm
- Food and Agriculture Organization of the United Nations, "NSP – Fertilizer Specifications," FAO, http://www.fao.org/agriculture/crops/thematic-sitemap/theme/spi/plantnutrition/fertspecs/en/.

S. 5. Monitoring project implementation

IFAD requires that key documents be submitted to IFAD. Management plans include monitoring and reporting requirements that must be fully integrated into the project's overall monitoring plan. This includes tracking social and environmental management measures through the financing cycle.

The extent of monitoring will be proportionate to the nature of the project, the project's social and environmental risks and impacts, and compliance requirements. A project should not be considered complete until the measures and actions set out in the management plan have been implemented.

If there are substantive changes to the project during implementation or changes in the project context that alter the project's risk profile, then rescreening, assessment and revised management measures may be required.

Monitoring frequency is determined by the nature, scale and variability of resource use and any potential emissions and may range from continuous monitoring to daily, monthly, annually or less frequently, depending on the nature of the project. In some cases, end-of-pipe emission flows can be diluted to meet emission standards while maintaining the same aggregate emission of pollutants into the environment. Therefore, it may be useful to monitor resource use as well as emission flows and emission loads. If there are substantive changes to the project that modify the emissions, monitoring needs may also change. Monitoring is particularly important for projects with impacts that are uncertain and/or potentially irreversible. These projects consequently may call for more frequent or more detailed evaluation of emission levels or ambient quality. Guidance on recommended monitoring approaches and frequencies appropriate to the nature of their operations is available from many internationally recognized sources including the World Bank EHSGs.

Findings from monitoring programmes should be regularly evaluated and management and mitigation responses should be adapted as necessary to ensure that the project is maximizing resource efficiency and minimizing pollution.

Where appropriate, stakeholders and third parties, such as independent experts, local communities or NGOs, should complement or verify monitoring activities.

SECAP compliance review activities should be appropriate to the type and scope of the requirements, and may include:

- Reviewing monitoring reports, conducting site visits and reviewing project-related information;
- Reviewing compliance with SECAP standard requirements;
- Advising partners on how to manage issues related to SECAP and the standard; and
- Communicating risks and probable consequences of failure to comply with the SECAP requirements and initiating remedies if the borrower/recipient/partner fails to (re)establish compliance.

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   5.1 Pest management activities
   5.2 Institutional arrangements
   5.3 Activities to strengthen national capacity
   5.4 Phasing of the plan

6. Monitoring and evaluation

7. Cost estimates

U. Annex II. Good practice and mitigation of risks associated with the use of fertilizers and pesticides

Careful selection of the type of pesticide and fertilizer and management of their use (timing, dosage, mode of application, etc.) can reduce to acceptable levels the environmental risks they pose, while providing the needed benefits for increased crop and animal production. IFAD should promote safe pesticide and fertilizer use by ensuring that all projects include the correct investments and capacity-building activities for the selection, distribution, storage, application and disposal of pesticides and fertilizers.

Efforts should be in place to:
avoid the release of pollutants, where feasible, or minimize and control the intensity, concentration, and mass flow of their release, including routine, non-routine and accidental releases.
In addition, avoid the generation of hazardous and non-hazardous wastes, where feasible, or minimize waste generation and reuse, recycle and recover waste in a safe environment, with environmentally sound waste treatments and disposal;

Assessment and mitigation of risk

Table A1 identifies mitigation measures and capacity-building actions to address the risks of using pesticides and fertilizers.

Table A1

Mitigation measures and capacity-building actions to address the risks of using pesticides and fertilizers

Potential project activity	*Proposed mitigation measure to be taken and included in the detailed project-related costs*
Business support services	
Will the project provide financing or short-term credit to agro-dealers to expand their business?	The project should ensure that all agro-dealers involved in the project are assessed and approved to act as a private agro-dealer under the current national regulations for registration as an agro-dealer. All agro-dealers should be trained as per the registration requirements. Training should be provided on spraying equipment use, calibration and cleaning. Training should be provided on the correct disposal of left-over chemicals, wastewater from cleaning and pesticide containers. Training should be provided on the use and care of protective clothing (face masks, gloves, boots, etc.).
Will the project provide financing or short-term credit to private service providers who will provide spraying services to households?	Training should be provided on pesticide storage, transportation, and use, calibration and cleaning of spraying equipment. Training should be provided on identification and purchase of products that do not contain active ingredients that are banned or restricted under applicable international treaties and agreements, or that do not meet the criteria of carcinogenicity, mutagenicity or reproductive toxicity as set forth by relevant international agencies. Training should be provided on the correct disposal of left-over chemicals and pesticide containers. Training should be provided on the use and care of protective clothing (face masks, gloves, boots, etc.).
Household use	
Will the project provide financing or short-term credit that can be used fully, or partly, for pesticide purchase by households?	Training should be provided on the correct household storage, handling and use of pesticides. Training should be provided on minimizing use of pesticides that damage non-target species or the natural environment or contribute to the development of resistance in pests and vectors. Training should be provided on the correct disposal of left-over chemicals and pesticide containers. Training should be provided on the correct use, calibration and cleaning of spraying equipment. Training should be provided on the use and care of protective clothing (face masks, gloves, boots, etc.).
Extension services	

Will the project promote training of extension providers and provision of extension services on pesticide use?	If yes, training on integrated pest management (IPM) should be included to develop approaches that minimize pesticide applications. Farmer field schools can be supported to do this. If yes, training should be provided on efficient use of energy, water and other resources and material inputs.
Will the project promote training on fertilizer application of extension providers and provision of extension services on fertilizer handling, use, and storage?	If yes, the project should provide training on how to determine the correct choice, type and amount of fertilizer to suit soil conditions, crop and crop growth stage. If yes, the project should provide training on microdosing to reduce leaching through small and/or split applications and precise fertilizer placement. If yes, the project should provide training on fertilizer handling and storage.
Post-harvest storage	
Will the project promote post-harvest use of pesticides for storage of grains, roots, tubers, fruits and vegetables at household level?	Training should be provided on the correct household storage, handling and use of storage pesticides. Training should be provided on the correct disposal of left-over chemicals and pesticide containers. Training should be provided on the use and care of protective clothing (face masks, gloves, boots, etc.).
Will post-harvest treatment require the use of fumigation?	Training should be provided on the correct household storage, handling and use of fumigation pesticides. Training should be provided on the correct disposal of fumigation containers. Training should be provided on the use and care of protective clothing (face masks, gloves, boots, etc.).

V. Annex III. Specific guidance on IFAD projects concerning rangeland-based livestock production

Introduction

Livestock and rangeland management are two areas in which IFAD is very active. Frequently, the land and natural resources on which poor rural people depend are common pool resources. Common pool resources are at risk of mismanagement when community tenure and management are not legally recognized. Weak legal recognition of livestock keepers' rights and low respect for their local knowledge and management practices have led to widespread changes in herd management, which has contributed to damage to vegetation, loss of biodiversity and soil carbon, and reduced soil fertility and water supply. Other negative impacts include public health problems with diseases and pests, and competition for resources with wildlife. In arid, semi-arid and dry subhumid lands, human activities such as fuelwood harvesting, charcoal production and slash-and-burn crop cultivation have huge impacts on rangelands and accelerate their degradation. Rangeland degradation causes lower productivity and a decline in ecosystem function, including hydrological cycles, which can contribute to more severe and more frequent cycles of drought and flood.

In IFAD's Environment and Natural Resource Management Policy, basic guidance and good practices for IFAD interventions in the management of rangeland-based livestock involve promoting and supporting (i) integrated crop-livestock systems; (ii) development of improved, locally adapted livestock genetics and avoidance of erosion or loss of animal genetic resources; (iii) pastoral institutions and recognition of tenure rights and customary grazing lands; (iv) strengthened local governance capacity, national governance policy and institutional coherence; (v) livestock diversity; (vi) management and recycling of livestock manure as organic nutrients for restoring soil fertility; and (vii) range restoration, enhancement and sustainable rangelands management.

Rangelands and livestock production in IFAD projects

IFAD projects address small- and medium-scale livestock operations through, for example, technology transfer, education and training, credit for restocking, delivery of animal health services, feed and breed improvement and best husbandry practices. These operations may occur in traditional extensive pastoral systems relying mainly on grazing on natural range vegetation, or in pastoral systems that involve a mixture of natural and cultivated feed resources. Such livestock projects aim to improve the productivity and competitiveness of livestock products through the efficient and sustainable use of natural resources while creating stable incomes and sustainable livelihoods. Effective development of rangeland livestock production generally involves developing and adapting the existing management system rather than replacing production with imported management systems and approaches. However, new technologies and management strategies are often adopted by livestock keepers if introduced in the right way.

The primary beneficiaries are poor livestock keepers, particularly those who are economically or socially at risk and politically marginalized, such as rural women, youth, landless poor people and people for whom animals such as poultry and small ruminants provide, at most, subsistence or a minimum contribution to daily nutrition. IFAD is committed to developing a sustainable livestock sector in which poor farmers and herders might obtain higher incomes and better access to assets, services, technologies and markets.

Environmental and climate-change issues

The term rangeland can describe both ecological and social systems and is interpreted differently by different audiences. Ecological definitions of rangelands emphasize the natural and semi-natural nature of vegetation, the importance of grasses, forbs and shrubs, and the

presence of wild or domestic ungulates.[1] However, the term rangelands may also encompass woodlands and wetlands and other ecosystems that are not dominated by grasses but that are integral to livestock production or the wider livelihoods of pastoral communities. Trees in rangelands often play a crucial role in rural livelihoods, providing fodder, food, fuel, medicines, shelter and other benefits.

The wide diversity of natural resources used by rangeland livestock producers require a diversity of management approaches and respond differently to the impact of livestock. Often, grass-dominated rangeland ecosystems exist as the result of interaction between animals and plants, and particularly between grazing species and grasses. These can be sensitive to changes in grazing patterns and can suffer from undergrazing as well as from overgrazing. The most important elements in sustainable management of these ecosystems are the frequency and duration of grazing rather than the absolute number of animals. The term “overgrazing” is frequently misused in the rangelands context and has sometimes led to inappropriate destocking that is both economically and environmentally harmful (IUCN, 2011).

Rangeland livestock projects may lead to increased pressure on natural resources, for example by increasing the period of time livestock spend in a given location. They can increase the exploitation of non-fodder resources, such as wild fruit or bush meat. They may also lead to competition with wildlife for forage and water and result in human-wildlife conflicts. However, appropriate incentives can be developed to promote co-management of livestock and nature. There are many examples worldwide of pastoralists deriving secondary incomes from environmental services, such as conservation of wildlife (e.g. through ecotourism), protection of rangeland biodiversity (e.g. sustainable harvesting of medicinal plants) or protection of ecosystem services (e.g. incentives for protecting watersheds).

Several social and institutional issues have a direct impact on how rangelands are used and managed, with direct effects on the state of the natural resource base. The most important of these to assess in the development of new projects are formal and informal resource tenure arrangements, livestock ownership patterns, land/population ratios, and local and national governance capacity and institutions.

Rangeland management projects are subject to external land-use changes that affect range resource use in the project area. Agricultural encroachment on rangelands, mining, wildlife conservation measures, tourism and other uses generally reduce the land available for livestock production and increase the pressure on the remaining resources, even when available alternatives would yield a win–win scenario, particularly for agriculture, wildlife and tourism.

Climate change is expected to have far-reaching consequences for dairy, meat and wool production in the rangelands, mainly through its impact on grassland and rangeland productivity. The heat stress suffered by animals as a result of increased temperature will reduce animal feed intake and result in poor growth. Higher temperatures and changing rainfall patterns could translate into increased spread of vector-borne diseases and macroparasites, accompanied by the emergence and circulation of new diseases. In some countries, lack of water and increased frequency of drought will affect primary productivity and the quality of forage and rangelands. However, some livestock systems – particularly the most extensive ones – have enormous intrinsic potential for climate change adaptation that makes herders more resilient as long as their capacity for herd mobility is protected.

Livestock production systems contribute to global warming directly through the production of greenhouse gas (GHG) emissions, and indirectly through land-use changes and deforestation. The latter relate more to intensive livestock systems that require large areas of land to produce feed crops. The three main sources of GHG emissions in livestock production are enteric

[1] V.G. Allen et al., “An international terminology for grazing lands and grazing animals,” *Grass and Forage Science* 66 (2011): 2-28.

fermentation of animals, manure, and production of feed and forage.[2] However, environmentally sound rangeland management practices offer significant carbon sequestration potential. Rangelands account for about 40 per cent of the total land surface area and store about 30 per cent of the world's carbon stocks (Tennigkeit and Wilkes, 2008).

Measures required in project preparation

Environmental impacts and opportunities need to be assessed at an early stage in the development of projects involving range/livestock production systems. For effective consideration in project design, the following steps should be carried out with extensive consultation and full participation of local communities. To reduce potential conflicts, decision-making processes should be designed to include all stakeholders (different livestock grazing systems and agricultural and non-agricultural users). The following subsections list measures for the preparation of effective projects.

(xii) Scoping exercise

- Identify the full geographical area and ecosystems that livestock herders exploit over a full cycle of wet and dry seasons/years, including the resources needed for survival in dry seasons and drought periods.
- Identify where the area for project intervention differs from the area managed by livestock keepers, including where livestock are moved into neighbouring countries, and assess the implications for project design.
- Evaluate rangeland ecology, including patterns of inter-annual climate variability, seasonal extremes and climate-change projections, herbivore-dependency and fire regimes, and the implications of ecology for rangeland productivity.
- Assess the extent of rangeland degradation and degradation processes according to the production objectives of rangeland users, including soil erosion, compaction, decreased fertility, salinization, pollution, shrub encroachment and vegetation decline.
- Assess the state and trends of biodiversity, including high-value plant species, wildlife populations and habitats, and the range of current and potential uses for stakeholders.
- Evaluate rangeland production potential, including biomass productivity, and appropriate management regimes, taking into account the inter-annual variability in carrying capacity and the practical challenges to modulating livestock numbers to track resource availability.
- Assess likely changes in potential land use and management under different climate scenarios.
- Identify loss of access or other factors that impede the mobility of herds or encourage voluntary sedentarization, such as access to education, health and financial services and need for women's empowerment.
- Analyse traditional knowledge and customary practices relevant to rangeland management and the factors that undermine communities' ability to manage resources sustainably, such as weak land tenure or unpredictable access to land.
- Identify key stakeholders in rangelands management, including different socio-economic and ethnic groups and public and private institutional stakeholders, and determine their rights and responsibilities.

[2] Jean-Yves Dourmad, Cyrille Rigolot and Hayo van der Werf, "Emission of greenhouse gas, developing management and animal farming systems to assist mitigation," in *Livestock and Global Climate Change* (Cambridge, UK: Cambridge University Press, 2008), 36-39,

- Identify major investments and externally planned land-use changes in the project area and evaluate their impact on rangeland health and rangeland management strategies (and vice versa).
- Identify significant policies that govern rangeland resource management and evaluate their suitability and extent of implementation.
- Identify risks from pastoralism to other stakeholders, including risks of conflict or resource competition and risks of disease transmission to other domestic animals, wildlife and humans.
- Assess the location, quality and demand for water based on overall livestock mobility patterns as well as domestic needs and the implications (negative and positive) of water infrastructure for herding strategies and land tenure.

(xiii) Project design

- Conduct an environmental and social impact assessment (ESIA) to address all concerns identified in the scoping exercise. The ESIA should determine the type and degree of all the potential negative impacts of project interventions on vegetation, soils, water and wildlife resources and on the rights and livelihoods of all key stakeholder groups.
- Conduct an in-depth conflict analysis, based on dialogue with all stakeholder groups, to assess the potential negative impacts of the project in terms of exacerbating or initiating conflicts between resource users and other rights holders.
- Identify appropriate project partners according to the roles and responsibilities of stakeholders defined in the scoping exercise.
- Conduct extensive consultations with all stakeholder groups to discuss the relevance and significance of potential impacts, including potential impacts on women's status and economic control over resources and property, and to ensure free, prior and informed consent over the project.
- Integrate social issues into project interventions, including consideration of women's roles and needs in livestock management.
- Develop an environmental management plan with participation of stakeholders, including recommendations on how to avoid, mitigate or compensate for significant negative impacts of project components, and including an estimation of the costs of implementing environmental management measures.
- Integrate environmental management issues into project interventions, including providing communities with environmental education and practical training in, for example, rangeland rehabilitation and landscape protection measures.
- Ensure that the project is aligned with national policy measures that guide environmental project design.
- Take into account current climate variability and future climate-change impacts in project design and integrate livestock adaptation strategies in the project. Adaptation options could include:
    - Production adjustments, such as modifications to stock routes and distances, and changes in livestock/herd composition;
    - Investment in local breeds and enhanced local breeds that are adapted to local climatic stress and feed sources, for example by cross-breeding local breeds with heat- and disease-tolerant breeds;

  - Promoting innovations in livestock and rangeland management that are compatible with production objectives and management strategies, including promotion of fodder trees and crops, and use of crop residues;
  - Establishing early warning systems and other forecasting and crisis-preparedness systems;
  - Training communities in the use of risk management tools, including financial services and insurance schemes; and
  - Improving understanding of climate-change impacts on livestock production and building capacities to plan and implement risk management strategies.
- Ensure project monitoring and evaluation includes indicators of performance in relation to social and environmental risks. The effectiveness of adaptation measures should also be monitored during project implementation. Important changes in resource conditions and in social conditions affecting range resource users should be brought to the attention of project managers for remedial action. Community-based monitoring of range resources (during and after project implementation) can be included in project design.

W. Annex IV. Specific guidance on water-usage considerations for impact assessment throughout the IFAD project cycle

Impact assessment throughout the IFAD project cycle

An exhaustive assessment of the existing freshwater resources, their uses and replenishment and related risks has to be carried out at different levels of detail throughout the different project stages, taking into account the likely impacts of climate change on the water cycle for the future. [1]

(xiv) At country strategic opportunity programme (COSOP) stage

At COSOP stage an assessment should be made of whether there are any high-level structural impediments for water-related IFAD projects to be developed. This assessment will be done on existing secondary information.

- Assess the country's institutional framework of water management: Competences and responsibilities of different governmental level in water management and existence of basin councils or water user associations or other water-related institutional arrangements.[2]
- Assess the country's legal framework of water management: Supply, distribution, use, water tenure, drainage and sanitation, discharges, and reuse of sanitized or raw wastewater. Determine whether environmental flow regulations exist. Assess climate change policies and compromises, such as the country's nationally determined contribution or the national adaptation plans related to water resources.
- Assess water tenure: Determine whether water governance is under formal law, if users have formal licences, and if water tenure is linked to land tenure (traditional formal right). Determine the existence of modern formal water rights, licences, contracts and investment contracts that assure water rights to foreign investors or other commercial uses. Assess tenure relationships that are not defined by formal law, such as customary or religious laws or informal water tenure.
- Investigate economic-sector interests of key stakeholders related to water resources and assess their compatibility. Determine the existence of international treaties related to trade and investment partnerships.
- Assess the overall hydrologic situation and related hazards of the country, such as expected droughts and floods. Conduct a preliminary assessment of foreseen impacts of climate change[3] on water resources and a comprehensive assessment of climate risk, including slow-onset events and sudden-onset events and the potential economic and non-economic losses resulting from them.

[1] The Water Information Network System (IHP-WINS) is an interactive open-access database developed by UNESCO's International Hydrological Programme and launched in January 2017 (United Nations Educational, Scientific and Cultural Organisation, "The Water Information Network System (IHP-WINS)." UNESCO. https://en.unesco.org/ihp-wins) It is a global reference database covering the entire water cycle. It provides continuous updates and new validated data, allowing users to create tailor-made maps incorporating specific information (e.g. on arid zones, rainfall, transboundary water basins and irrigation).
IHP-WINS draws on global information sources as the FAO AQUASTAT database (http://www.fao.org/nr/water/aquastat/data/query/index.html?lang=en), and the WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation (https://washdata.org/), The United Nations Statistics Division; UNESCO's "Water Family" including water programmes and initiatives.
The International Water Management Institute World Water and Climate Atlas (https://www.iwmi.cgiar.org/resources/world-water-and-climate-atlas/) gives rapid access to accurate, reliable data on climate and moisture availability for agricultural and irrigation planning. It includes monthly and annual summaries for temperature, precipitation, humidity, hours of sunshine, evaporation estimates, wind speed, total number of days with and without rainfall, days without frost and reference evapotranspiration rates.

[2] For further guidance see IFAD's Toolkit on Watershed Management

[3] Intergovernmental Panel on Climate Change, *Climate Change 2014: Impacts, Adaptation, and Vulnerability; Part B: Regional Aspects* (Cambridge, UK: Cambridge University Press, 2014), chapters 21-30.

- Compile and examine previous IFAD-supported water-related projects in the region and plans for similar investment during the COSOP validity.
- Determine the existence of major water-related socio-environmental conflicts. Foster the accession of the borrower country to the Convention on the Protection and Use of Transboundary Watercourses and International Lakes,[4] which is a legal framework for transboundary water cooperation worldwide.

Policy engagement for up-scaling: As IFAD's portfolio mostly relates to investing in agriculture, which is the largest user of water, PDTs should enter in the political and governance dialogue at local, provincial and national level about policies, legislation and the institutional framework of sustainable water resources management. This could either be part of the scope of the COSOP, or an additional component to a project, providing up-scaling opportunities. Both top-down and bottom-up participatory approaches have to be promoted and the meaningful engagement with stakeholders be ensured at all levels. IFAD projects usually operate at local level but need to engage in dialogue at broader scales to have an overall impact on the watershed and its hydrological up and downstream linkages.[5]

(xv) At project concept note stage

Building on the assessments implemented at COSOP stage, carry out preliminary local assessments through document review of:

- Availability of water in the targeted region/location for IFAD's purpose; access to water for targeted users and competing consumptive and non-consumptive water uses and interests; existence of water-related conflicts; project's location on international waterway or transboundary aquifers;
- Indices of water quality, depending on national legislation and regulation, e.g. total dissolved solids, total hardness, pH, dissolved oxygen, biochemical oxygen demand, chemical oxygen demand, nitrate and total phosphorus. Assess major existing threats to water quality and project's potential impacts;
- Foreseen impacts of climate change and climate-related hazards in the region;
- Sensitivity of ecosystems; presence of endangered species; status of water-related ecosystem services; existing major threats; and potential impacts of the project.
- Existence of technical resources such as hydrologic balances and hydrologic models of watersheds.

(xvi) At project design stage

Before beginning any water-related project, the borrower or client should take the following actions:

- Conduct a participatory water needs audit to determine, in consultation with relevant stakeholders, who depends on surface and underground water resources for various needs.
- Develop an environmental and social baseline focused on water resources: describe current environmental and social conditions. Identify all foreseeable potential negative impacts of the project or programme. This description should be quantitative, where possible, and provide the data required for detailed impact analysis.

[4] All United Nations Member States can accede to the Convention since 1 March 2016. The Convention enhances cooperation and specific measures for protection and ecological management of transboundary surface and groundwater bodies, strengthening existing institutions, offering an intergovernmental platform for the day-to-day development of transboundary water cooperation, guidance in negotiations, mutual learning and workshops.
[5] See IFAD's How to Do Note on Watershed Management for guidance

- Design the project in a manner to avoid, prevent or mitigate identified water-related environmental and social impacts. When impacts are unavoidable, design measures for effective minimization together with mitigation, restoration and compensation measures for the residual unavoidable adverse effects.
- Document and assess national environmental and social impact assessment (ESIA) processes and include relevant content in IFAD's ESIA. The later should at least identify impacts on water resources quantity and quality; on the environment and ecosystems; and on human health due to unsafe water consumption. It should also formulate measures to avoid potentially adverse impacts or minimize, mitigate or compensate for unavoidable impacts. When land and water tenure are in some way affected, the ESIA must include a free, prior and informed consent process.

Guidance Note 3: Cultural heritage

X. 1. Introduction

This guidance note has been prepared to assist IFAD project delivery teams (PDTs), borrowers/recipients/partners, impact assessment practitioners who may be involved in project or programme appraisals, monitoring, and due diligence and other stakeholders who may wish to better understand the key concepts and specific requirements addressed in standard 3: Cultural heritage.

This guidance note is designed as a concise "where to" guide that helps users find appropriate external guidance to help them through the requirements of Standard 3. Section 2 of this guidance note provides an overview of the key process steps for addressing cultural heritage requirements and summarizes the roles and responsibilities of PDTs and the borrower/recipient/partner within the context of IFAD's Social, Environmental and Climate Assessment Procedures (SECAP).[1] Section 3 provides an introduction and cross-referencing of requirements for each standard 3 screening question in order to provide assistance with how to adequately approach the screening requirements for project- and programme-level risks. Section 4 provides a discussion of key issues related to addressing each of the specific standard 3 requirements. The note concludes with a short section on relevant standard 3 monitoring issues (section 5).

The annexes of this guidance note include (i) an outline of potential activities types that may lead to impacts/risks for cultural heritage within IFAD programming, and (ii) an indicative outline of a cultural heritage management plan (CHMP).

Y. 2. Key steps and roles and responsibilities

Table 1 presents a short overview of the key steps in the process for addressing the requirements of Standard 3: Cultural heritage, in the Social, Environmental and Climate Assessment Procedures (SECAP).

Table 1

Quick overview of key steps for addressing requirements of Social, Environmental and Climate Standard 3: Cultural heritage

Screen potential risks

- Screen proposed projects using the SECAP screening checklist to identify potential adverse impacts and risks relating to cultural heritage (both tangible and intangible).
- Categorize project risk (low/moderate/substantial/high).
- Develop a stakeholder engagement plan and start early consultation to identify options to avoid potential adverse impacts and risks to cultural heritage (substantial- and high-risk projects). Assess whether confidentiality of cultural heritage items may need to be included as part of information disclosure.

Assess potential risks and impacts

- For moderate-, substantial- and high-risk projects, assess direct and indirect adverse impacts on cultural heritage.
- Utilize relevant expertise and ensure cultural-heritage-related impacts are assessed at appropriate geographic scale.
- Ensure that the level of stakeholder engagement is at a scale appropriate to potential risks/impacts.

[1] IFAD, *Social, Environmental and Climate Assessment Procedures: Volume 1* (Rome: IFAD, 2020). [INSERT LINK WHEN AVAILABLE]

Mitigate, manage and monitor risks and impacts

- Apply the precautionary principle and follow the mitigation hierarchy.*
- Develop a management plan (CHMP/ESCMP) that reflects relevant requirements of standard 3. Where specific details and sites of proposed projects are not yet fully defined, develop a management framework. The scale of the plan will vary depending on the nature and magnitude of potential risks and impacts.
- Monitor all mitigation measures.

***** The mitigation hierarchy is applied by (a) anticipating and avoiding risks and impacts; (b) where avoidance is not possible, minimizing or reducing risks and impacts; (c) once risks and impacts have been minimized or reduced, mitigating them; and (d) where residual adverse impacts remain, compensating for or offsetting them, where technically and financially feasible.

CHMP = cultural heritage management plan; ESCMP = environmental, social and climate management plan; SECAP = Social, Environmental and Climate Assessment Procedures.

If the screening template indicates the need for further detailed assessment of impacts and risks relating to cultural heritage, the following two topics will ideally be addressed while the assessment report is in its early stages, rather than waiting until the final draft:

- ***Capacity-building:*** As the likely impacts and recommended mitigating measures emerge, the PDT should note the requirement to assess borrower/recipient/partner capacity to implement the recommended mitigating measures.
- ***Disclosure:*** Identify sensitive information regarding the nature and location of cultural heritage that is likely to be endangered. The borrower/recipient/partner, in consultation with IFAD, the national authorities, affected communities and relevant experts, may consider limiting disclosure to omit such information (see discussion of paragraph 12 of standard 3, below).

2.1 SECAP roles and responsibilities

The roles and responsibilities outlined in table 2 describe the major functions of IFAD PDTs and the borrower/recipient/partner in the SECAP process during project identification, preparation and implementation. [2]

Table 2

Roles and responsibilities of IFAD project delivery teams and the borrower/recipient/partner in the IFAD Social, Environmental and Climate Assessment Procedures process

Project stage	*IFAD PDT*	*Borrower/recipient/partner*
Identification, preparation and development	• Overseeing application of SECAP processes, including gender mainstreaming. • Screening projects to determine if they trigger all safeguard standards including whether a full or abbreviated ESIA is required. • In addition to the environmental and social screening and categorization process, a parallel exercise should be undertaken by PDTs to determine the exposure and sensitivity of the project objectives to climate-related risks, based on available information about	• Providing accurate, reliable and timely information required in the SECAP screening checklist. • Designing, planning and preparing project concepts and proposals according to SECAP requirements. • The costs for preparing the (abbreviated) background studies (feasibility studies, ESIAs, RAF/RAP, etc.) will be financed by the borrower/recipient/partner. Upon a written request by the borrower/recipient/partner, studies and assessments may be financed through the Faster Implementation of Project Start-up instrument. For project-level

[2] Further information is provided in section 1.3 of IFAD, *Social, Environmental and Climate Assessment Procedures: Volume 1* (Rome: IFAD, 2020). [INSERT LINK WHEN AVAILABLE].

Project stage	*IFAD PDT*	*Borrower/recipient/partner*
	historic climate-hazard occurrences, current climate trends and future climate-change scenarios. • Reviewing and assessing the ESIA terms of reference, the ESIA document/report and project-level plans, including the adequacy of the assessment of project impacts and the proposed measures to address issues to ensure they meet applicable safeguard standards, prior to project approval. • Approving project concept based on a determination that safeguard issues have been adequately addressed. If adverse environmental or social impacts outweigh the expected benefits, IFAD shall not support the project. • Disclosing of ESIA and project-level plans through the IFAD website.	assessments ((abbreviated) ESCMF, ESCMP, ESIA, RAF/RAP, FPIC plan, indigenous peoples plans, environment and social audit and/or ex post ESIA, as required) undertaken during project implementation, the associated costs will be included in the project cost, including the cost for ensuring meaningful community participation. • Overseeing the ESIA process, and preparation of project management plans resulting from application of the standards and requirements of SECAP. • Implementing all required consultations with project stakeholders, including informing affected communities and explaining the project to them; incorporating feedback from and changes agreed with them; and obtaining and documenting their free, prior and informed consent.
Implementation	• Reviewing and monitoring of implementation of financial, technical and project-level plans, including through project kick-off/launch workshops, supervision missions, midterm reviews, field visits, audits and follow-up visits as appropriate to the scale, nature and risks of the project. • Working with the borrower/recipient/partner to identify and plan for corrective measures that achieve the results and uphold the safeguard standards expected under each project in cases when a project review finds that the borrower/recipient/partner is not following project-level plans (i.e. any of the safeguard-related management plans required). If these measures do not succeed in correcting the deficiencies, IFAD may withhold payment, or suspend or cancel the grant/loan, as appropriate. • Disclosing completed project evaluations and results through the IFAD website (following donor acceptance, and subject to exclusion of proprietary and personal information).	• Executing project management plans and monitoring the effectiveness of risk mitigation measures; ensuring compliance with and adherence to all safeguards outlined in each of the plans, and undertaking corrective measures in cases where plans have not been executed satisfactorily or where negative or adverse impacts have arisen despite efforts to adhere to project plans. • Informing project-affected local authorities, other stakeholders and IFAD on project progress and on any unexpected and unintended events affecting those communities, in accordance with project-level plan requirements and the project's agreed-upon reporting schedule. • Incorporating feedback from project-affected parties and providing and documenting the process to obtain their free, prior and informed consent to any changes in the project plan. • Producing a project completion report to document safeguard monitoring.

ESCMF = environmental, social and climate management framework; ESCMP = environmental, social and climate management plan; ESIA = environmental and social impact assessment; FPIC = free, prior and informed consent; PDT = project delivery team; RAF = resettlement action framework; RAP = resettlement action plan; SECAP = Social, Environmental and Climate Assessment Procedures

2.2 Objectives and requirements

The requirements set out in Standard 3: Cultural heritage of the SECAP are designed to achieve the following objectives:

- Preserve and safeguard Cultural Heritage.
- Ensure that effective and active measures are taken to prevent IFAD-supported projects from altering, damaging, or removing any tangible or intangible Cultural Heritage.
- Promote the equitable sharing of benefits from the use of Cultural Heritage.
- Promote meaningful consultation on matters relating to Cultural Heritage.

Z. 3. Screening

PDTs should consider and address the requirements of Standard 3 in an integrated manner during the screening process for all IFAD-supported projects or programmes. This should be done using the SECAP screening checklist to determine whether there are potential significant impacts and risks related to cultural heritage. An initial "trigger question" will determine whether the PDT will be required to answer/assess further aspects of standard 3 requirements and the corresponding risk screening questions.

If moderate, substantial or high risks are identified during screening, then relevant standard 3 requirements may need to be addressed in project design and implementation, including as part of overall impact assessment, management, mitigation and monitoring activities.[3]

Table 3 provides some cross-referencing of SECAP cultural heritage screening questions and sections of this guidance note.

Table 3

SECAP cultural heritage screening questions and standard 3 requirements

SECAP cultural heritage screening questions[a]	*Reference to key standard 3 requirements and sections (below) of this guidance note*
Would the project potentially:	
10. Be located in areas that are considered to have archaeological (prehistoric), palaeontological, historical, cultural, artistic or religious values or that contain features considered as critical cultural heritage?	Para. 9, 11, 12, 13, 14, 15
11. Directly or indirectly affect indigenous peoples and historically underserved local communities' rights, lands, natural resources, territories, livelihoods, knowledge, social fabric, traditions, governance systems, culture or heritage (tangible and intangible)?	Para. 9, 11, 12, 12, 14, 15
12. Involve significant excavations, demolitions, movement of earth, flooding or other environmental changes?	Para. 11, 13, 14
13. Result in adverse impacts to sites, structures or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: projects intended to protect and conserve cultural heritage may also have inadvertent adverse impacts.)	Para. 9, 11
14. Alter landscapes or natural features with cultural significance?	Paras. 11, 13, 14, 15
15. Utilize tangible and/or intangible forms (e.g. practices, traditional knowledge) of cultural heritage for commercial or other purposes?	Para. 10

[3] For guidance on typical project activities that may have an impact on cultural heritage, see Annex I of this guidance note.

[a] The requirements of standard 3 are interrelated and multiple requirements may apply to any one of the SECAP risk screening questions. However, to facilitate addressing the SECAP screening questions, key relevant standard 3 requirements are highlighted here.

AA. 4. Addressing cultural heritage requirements in assessment and management planning

4.1 Brief overview of key principles and steps in the project/financing cycle regarding cultural heritage

As a first step, the borrower/recipient/partner will determine if standard 3 is triggered. This will be done using the SECAP screening checklist and involve qualified personnel and full and effective participation of local people. The programme/project area will be assessed in order to identify and collect data on any cultural heritage (tangible and intangible) likely to be affected by the operation. If the programme/project is likely to have adverse impacts on the cultural heritage, the borrower/recipient/partner will identify appropriate measures for avoiding, minimizing or mitigating these impacts.

Where there is potential for the programme/project to affect cultural heritage, the borrower/recipient/partner will develop a concise cultural heritage management plan (CHMP) (which may be a component of the overall environmental management plan for the programme/project) that includes (i) measures for avoiding, minimizing or mitigating any adverse impacts on the cultural heritage; (ii) provisions for managing "chance finds" of cultural heritage during implementation; (iii) necessary measures for strengthening institutional capacity with respect to protection of the cultural heritage; and (iv) a monitoring system to track the progress of these activities. The CHMP will ensure compliance with the country's overall policy framework, national legislation and international standards (see annex III of this guidance note) for protecting cultural heritage and will reflect the institutional capabilities for protecting the cultural heritage.

Where a project or programme proposes to use cultural heritage, including knowledge, innovations or practices of local communities, for the benefit of the project or for commercial purposes, communities should be informed of their rights under national law, of the scope and nature of the proposed use, and of the potential consequences. The PDT should obtain free, prior and informed consent (FPIC) for such use and should make arrangements in the project for fair and equitable sharing of the benefits.

The IFAD PDT will work with the borrower/recipient/partner in addressing or assessing the cultural heritage, reviewing the findings and recommendations developed during the environmental and social impact assessment (ESIA) process, and determining whether the recommendations will provide adequate protection for the cultural heritage during implementation of the programme/project.

The consultative process for the cultural heritage component will normally include project-affected groups, relevant government authorities and interested NGOs. These groups will assist the borrower/recipient/partner and IFAD PDT in documenting the presence and significance of physical cultural resources (PCR), assessing potential impacts and exploring avoidance and mitigation options through a consultation process.

The findings of the cultural heritage component of SECAP will be disclosed to the public as part of, and in the same manner as, the draft ESIA report

4.2 Guidance on requirements

The following sections include the specific requirements of Standard 3: Cultural heritage (in boxes) followed by further guidance. The paragraph numbering ("paragraph XX") corresponds to the numbered Standard 3 requirements as outlined in SECAP volume 1.[4]

[4] See footnote 1, above.

Paragraph 8: Screening and assessment
The borrower/recipient/partner will address cultural heritage in projects supported by IFAD in the context of the environmental and social assessment process established by IFAD's SECAP. SECAP prescribes general steps for programmes and projects that apply in cases involving cultural heritage. These include screening; collecting data; assessing impacts; and formulating mitigating measures.

Paragraph 9 of standard 3 requires the borrower/recipient/partner to scope, screen and assess the potential impacts and risks project/programme activities pose to both tangible and intangible cultural heritage.

The PDT should identify activities or features of the project that are likely to impact cultural heritage. Annex I of this guidance note lists common project activities and features that often impact cultural heritage.

During the screening and assessment of the project/programme, it is important that the PDT assess not only direct risks and impacts that may arise from the project activities but also those that may be indirect. Indirect and cumulative impacts that may occur during implementation or after completion of a project may result from, for example, changing conditions in a watershed area or from increased traffic and construction along a new or improved road.

Paragraph 9: Commercial use of cultural heritage
Where a project or programme proposes to use cultural heritage, including knowledge, innovations or practices of local communities, for the benefit of the project or for commercial purposes, communities should be informed of their rights under national law, of the scope and nature of the proposed use, and of the potential consequences. Free, prior and informed consent of the local communities for such uses should be sought, and there should be arrangements in the project for fair and equitable sharing of the benefits.

The rights of project-affected communities and individuals to use, manage and have access to their cultural heritage (whether that be collective, individual, tangible or intangible) should be taken into primary consideration for project/programme activities that include the commercial use of cultural heritage. Where a project involves the commercial use of cultural heritage of indigenous peoples and historically underserved local communities, then the requirements of FPIC[5] and Standard 4: Indigenous peoples and historically underserved local communities are to be applied.

Box 1. Examples of the commercial use of cultural heritage
• Tourism projects that bring tourists to cultural heritage sites • Commercial use of intangible cultural heritage such as traditional medicinal knowledge • Commercial use of sacred or traditional techniques for processing plants, fibres or metals

If the project/programme does involve the commercial use of cultural heritage, then the borrower/recipient/partner will also be required to:

- Carry out meaningful consultation (as outlined in paragraph 10, below);

[5] As outlined in IFAD, *How to do: Seeking free, prior and informed consent in IFAD investment projects* (Rome: IFAD, 2015), https://www.ifad.org/documents/38714170/40197975/htdn_fpic.pdf/7601fe69-3ada-4b9d-a30d-95ae4c98216b.

- Provide fair and equitable sharing of benefits from commercial use of such cultural heritage;[6] and
- Identify mitigation measures according to the mitigation hierarchy.[7]

Consultation and stakeholder engagement are crucial aspects of the IFAD project/financing cycle and they can also play a direct role in the identification of the potential presence of cultural heritage. For example, consultation may reveal the presence of unexplored archaeological sites. Consultation can also be sought with the national heritage authorities and experts, especially for projects that are likely to have an impact on cultural heritage (see annex I of this guidance note).

Paragraph 10: Meaningful consultation leading to consent
As part of the public consultation provisions included in the SECAP, the consultative process for the cultural heritage component will normally include project-affected groups, relevant government authorities and interested non-governmental organizations. These groups will assist the borrower/recipient/partner and IFAD PDT in documenting the presence and significance of cultural heritage, assessing potential impacts and exploring avoidance and mitigation options through a consultation process leading to consent.

Stakeholder engagement should occur early in the project preparation phase. As stated, this consultation will enable the borrower/recipient/partner and PDT to identify, document and assess the potential risks and impacts of the project/programme on cultural heritage and to put appropriate mitigation measures in place as part of the project design.
The following groups may be relevant for consultation on cultural heritage issues:

- Historical or traditional users and owners of cultural heritage;
- Traditional communities embodying traditional lifestyles;
- Ministries of archaeology or culture, or similar national or heritage institutions:
- National and local museums, cultural institutes and universities; and
- Civil society concerned with cultural heritage or historical preservation, areas of environmental or scientific interest; affected communities; and religious groups for whom the cultural heritage is traditionally sacred.

Box 2. Documentation of consultations concerning cultural heritage should include:
• The way in which project-affected groups and individuals recognize and understand the given cultural heritage and the values they associate with it; • Any issues relating to the need for confidentiality regarding the location or details of the cultural heritage (see paragraph 12 below); • Any existing or potential conflicts arising from different views regarding the cultural heritage; • Any views of the project-affected stakeholders regarding ways to address project-related risks to, and impacts on cultural heritage, including on proposed mitigation measures.

Paragraph 11: Confidentiality and restricted access
Together with stakeholders, the borrower/recipient/partner shall determine whether disclosure of information regarding cultural heritage would compromise or jeopardize its safety or integrity or endanger sources of information. In such cases, sensitive information may be withheld from public disclosure.

[6] This should consistent with the customs and traditions of the project-affected individuals/groups.
[7] Avoid , minimize, mitigate, offset.

In almost all circumstances, public disclosure of information is an integral aspect of assessing a project's impacts on or risks to cultural heritage. The findings of the cultural heritage component of the ESIA are normally included in the overall ESIA report for public disclosure. However, it is sometimes advisable not to publish information on the precise location of valuable or sacred cultural heritage items. It is possible that, in certain circumstances (for example in the case of movable artefacts), public disclosure can lead to theft or illegal sale of the items concerned. In the case of sacred cultural heritage, disclosure can cause offence and danger to the informants.

Paragraph 12: Chance finds
Chance finds will not be disturbed until an assessment by qualified experts is made. Where national procedures do not exist, appropriate procedures will be developed in line with the assessment by qualified experts.

"Chance finds" refers to instances where cultural heritage is discovered unexpectedly during the process of implementation. SECAP, and more specifically standard 3, requires projects/programmes to have a chance finds procedure in place as part of the project management plan. This could be included as a subsection of an environmental, social and climate management plan. Such procedures normally involve collaboration with the national/local authorities legally responsible for dealing with such chance finds. In some cases, they may include having an archaeologist on site.
Chance finds procedures should be included for all projects that involve excavation or other civil works (see annex I); their purpose is to provide a procedure for what to do if physical cultural heritage is unexpectedly encountered during the project activities or preparation activities. Chance-finds procedures should contain the following elements:

- Definition of cultural heritage

  This section should define and describe the types of cultural heritage that might be covered by the procedures. In some cases (and given national regulation) this may be refined to cover only archaeological finds; however, it should generally include all PCR. Where there is a nationally defined definition of cultural heritage resources, this should be used.

- Ownership

  This section should outline the identity of the owner of any cultural heritage item that is found. This can be, for example, the government, local authority, landowner or indigenous group. In some circumstances, ownership can be determined later by experts and the pertinent authorities.

- Recognition

  Outlining how cultural heritage items/chance finds will be recognized is a particularly difficult task. In some cases, where the risk level to cultural heritage has been identified as high, the project team could include a technical expert (such as an archaeologist).

- Procedures upon discovery:
  - *Suspension of work*: This section should outline the requirement that if PCR is discovered during the execution of project works/activities, then the contractor/executing entity should stop the given works. However, this section should also define whether all works should be suspended or only those within a specified distance of the discovery. After the work has been suspended, contact with the relevant project supervisors and authorities should be made in a timely manner.

- *Demarcation of the discovery area:* Once the work has been suspended, the executing entity should then be required to temporarily demarcate and limit access to the site of the find.
- *Chance-find report:* The executing entity is then required to develop a "chance-find report" in a timely manner, recording the date, time and location of the discovery, a description of the discovery (including estimated weight and dimensions) and the temporary protection for the PCR that has been implemented. The chance-find report should be submitted to both IFAD and the relevant local/national authority.
- *Actions of the cultural authority:* Representatives of the relevant cultural authority should try to arrive at the discovery site within an agreed time frame. Once there, they will determine the appropriate action to be taken. Actions can include removal of the cultural heritage item, issuance of permission for further work within a specified distance of the find and demarcated area, or a change (extension or reduction) in the size of the demarcated area.

- *Further suspension of work:* Once the relevant cultural authority has determined the course of action for the executing entity, it may be entitled to reduce or halt the work in/near the discovery site for a longer period.

Paragraph 13: Continued access
Where a project or programme introduces restrictions to stakeholder access to cultural heritage, continued access is arranged in consultation with stakeholders, where feasible, subject to overriding safety and security consideration.

Project/programme activities may have a direct or indirect impact on the ability for communities and individuals to access cultural heritage items, places or practices. Meaningful consultation and stakeholder engagement should be factored into the project preparation phase early on, so that potential impacts on access to special cultural heritage are identified and assessed as early as possible in the process.
In cases where proposed project/programme activities are likely to cause loss of access or restrictions to access to cultural heritage, the borrower/recipient/partner should seek to identify ways to avoid such restrictions. For example, if construction will block the path to a certain sacred site that is traditionally significant for the project-affected peoples, then a different access route should be considered during the environmental and social assessment process.
Where access cannot be provided (e.g. due to health and safety considerations in a construction site), the borrower/recipient/partner should seek to allow for access on specific days or during specific time slots. If this is possible, the arrangement should be communicated to the traditional users of the cultural aspects of the site to ensure that they have continued access.

Paragraph 14: Legally protected cultural heritage areas
If the proposed project is to be located within a legally protected area or a legally defined buffer zone, the borrower/recipient/partner will: • Comply with local, national, regional or international cultural heritage regulations and existing protected area management plans; • Consult the protected-area sponsors and managers, project-affected parties (including individuals and communities) and other interested parties on the proposed project;

- Implement additional programmes, as appropriate, to promote and enhance the conservation aims of the protected area;
- Support the inclusion and cooperation of the various stakeholders through a dialogue with the appropriate authorities, including the relevant national or local regulatory authorities entrusted with the protection of cultural heritage, to establish the most effective means for addressing the views and concerns of the stakeholders and involving them in the protection and management of the cultural heritage; and
- Consider the significance of the cultural heritage according to the value systems and interests of project-affected parties (including individuals and communities) and other interested parties who are concerned with the protection and appropriate use of the cultural heritage.

The project team and borrower/recipient/partner should examine national legislation, regulations and practices relating to the identification and management of cultural heritage to ensure that the project complies with these. Useful sources for information that should be consulted include registers or lists of cultural heritage that are protected, including dedicated World Heritage sites. In certain country contexts, lists of significant cultural heritage are recorded at different levels of government, including at the national, subnational and local community level. These can lists or registers can also have varying levels of legal or administrative requirements and provisions. It is thus crucial to fully consider the relevant legislation, regulations and practices that apply to cultural heritage within the project/programme area.

BB. 5. Monitoring project implementation

IFAD requires that key documents be submitted to IFAD. Management plans include monitoring and reporting requirements that must be fully integrated into the project's overall monitoring plan. This includes tracking social and environmental management measures, as they pertain to any relevant cultural heritage, through the financing cycle. Annex II provides an outline for a HMP.

The extent of monitoring will be proportionate to the nature of the project, the project's social and environmental risks and impacts, and compliance requirements. A project should not be considered complete until the measures and actions set out in the management plan have been implemented.

If there are substantive changes to the project during implementation, or changes in the project context that alters the project's risk profile, then rescreening, assessment and revised management measures may be required.

Where appropriate, stakeholders and third parties, such as independent experts, local communities or NGOs, should complement or verify monitoring activities.

SECAP compliance review activities should be appropriate to the type and scope of the requirements, and may include:

- Reviewing monitoring reports, conducting site visits and reviewing project-related information;
- Reviewing compliance with SECAP standards and requirements;
- Advising partners on how to manage issues related to SECAP and the standards; and
- Communicating risks and probable consequences of failure to comply with SECAP requirements and initiating remedies if the borrower/recipient/partner fails to (re)establish compliance.

CC. Annex I. Common project activities and features that may have negative impacts on cultural heritage: General guidance[1]

Negative impacts on cultural heritage generally fall into the following broad categories: damage, destruction, wear, removal, burial, modification, change of use, neglect, denial of access and desecration. Each of these impacts may, in turn, arise from a variety of causes. The question is: what aspects of a project could cause such impacts to occur? Below is a list of project activities or features that commonly give rise to negative impacts on cultural heritage, divided into two periods: project construction and commissioning, and operations. The types of cultural heritage typically impacted are shown in italics. Note that the cultural heritage impacted is not necessarily located on the project construction or engineering sites, and in some cases may be far away.

Project activities or features typically having negative impacts on cultural heritage

(xvii) Construction and commissioning phase

1) Work camps

- Desecration of sacred sites
- Excavation, construction and soil compaction
- Direct physical damage to, or destruction of, human-made, natural and buried cultural heritage on site
- Vandalism, theft and illegal export of movable cultural heritage and of pieces of monumental cultural heritage accessible directly or indirectly to migrant labourers

2) Construction traffic

- Vibration, air, soil and water pollution, leading to damage to natural and human-made cultural heritage in the vicinity

3) Use of heavy construction equipment

- Vibration, damaging built cultural heritage in the vicinity
- Soil compaction, damaging buried cultural heritage (archaeological and palaeontological) on site
- Damaging pipelines and drains serving built cultural heritage in the vicinity

4) Use of explosives

- Air pollution and vibration, leading to landslides and damage to buildings and natural cultural heritage in the vicinity

5) Creation of large or linear construction sites

- Barrier effects causing difficulty or denial of access by community to living-culture heritage

6) Inundation

- Submergence or destruction of human-made, natural or buried cultural heritage. Barrier to access to all types of cultural heritage
- Raised water table can lead to damage to all types of cultural heritage. Damage to aesthetics of scenic landscapes

[1] Based on World Bank Group, *Guidebook on Physical Cultural Resources Safeguard Policy* (Washington, D.C.: World Bank Group, 2009).

7) Resettlement

- Denial of access to all types of cultural heritage formerly used by the community
- Abandonment of all types of cultural heritage, leading to neglect
- Damage/destruction of human-made, natural or buried cultural heritage in resettlement sites

8) Waste disposal or landfill

- Burial or damage to natural, buried or underwater cultural heritage

(xviii) Operations phase

1) New and upgraded roads

- Increased human traffic as a result of improved access to cultural heritage of public interest leading to increased wear and damage, sacrilege of sacred sites, theft and vandalism of movable and breakable cultural heritage items
- New highways cutting off access to living-culture cultural heritage by residents of settlements on the other side of the highway
- Increased air pollution and vibration from traffic causing damage to human-made cultural heritage, particularly monuments and buildings
- Increased noise pollution interfering with enjoyment of cultural heritage such as tourist destinations, historic buildings, religious establishments and cemeteries
- In scenic areas, obtrusive highways having a negative visual impact on the landscape
- Roads and bridges that themselves constitute cultural heritage being damaged by increased traffic

2) Reservoir operations or irrigation

- Shoreline erosion exposing archaeological cultural heritage, leading illegal digging and looting
- Reduced sediment load speeding up river flows, eroding banks, undermining human-made cultural heritage such as monuments

3) Induced development

- Induced development leading to increased wear and damage, sacrilege of sacred sites, theft and vandalism of movable and breakable cultural heritage items, and damage to the aesthetics of scenic landscapes and townscapes

4) Steep and unstable embankment cuts

- Collapse leading to exposure, damage and theft of built, natural and archaeological cultural heritage items

5) Factories and other facilities using heavy equipment

- Increased noise pollution interfering with enjoyment of cultural heritage such as tourist destinations, historic buildings, religious establishments and cemeteries
- Damage to the aesthetics of scenic landscapes and townscapes

6) Cultural heritage restoration

- Change of status, ownership or use resulting in altered settlement patterns and gentrification, leading to abandonment of the cultural heritage by the original users

- Use of unsympathetic materials or over-restoration resulting in negative impacts on the townscape. Increased use leading to excessive wear and damage to built cultural heritage

7) Cultural heritage inventorying

- Inventorying, mapping and publishing of cultural heritage encouraging theft and illegal trafficking of movable cultural heritage
- Introduction of excessively strict historic buildings code leading to difficulty in modernization, resulting in abandonment and neglect of historic buildings

8) Land or protected areas management

- Change of status, ownership or use of land resulting indirectly in neglect, damage, destruction or change of use of all types of cultural heritage

9) Increased pressure on land

- Increased pressure resulting in land-clearing and deforestation activities, causing damage to all types of cultural heritage

DD. Annex II. Indicative outline of a cultural heritage management plan

A. A review of the legal and institutional framework applicable to cultural heritage

B. Roles and responsibilities of the different project and other interested parties, for example, the borrower/recipient/partner, contractors, project-affected people and cultural heritage authorities

C. The steps to identify and manage cultural heritage throughout the project life cycle

D. Proposed mitigation measures to be undertaken

E. Steps for incorporating relevant requirements relating to cultural heritage into project procurement documents, including chance-find procedures

F. Implementation schedule and budget

G. Monitoring and reporting requirements

EE. Annex III. International legal/policy context

UNESCO adopted the Convention Concerning the Protection of the World Cultural and Natural Heritage[1] in 1972. The Convention defines the kinds of cultural and natural sites that may be considered for inscription on the World Heritage List.[2] It also sets out the duties of countries in identifying potential sites and their role in protecting and preserving them. By signing the Convention, each country pledges not only to conserve the World Heritage sites situated on its territory, but also to protect its national heritage.

Box 1. Normative basis for Standard 3: Cultural heritage

- United Nations Educational, Scientific and Cultural Organization, "1954 Hague Convention for the Protection of Cultural Property in the Event of Armed Conflict," UNESCO, http://www.unesco.org/new/en/culture/themes/armed-conflict-and-heritage/convention-and-protocols/1954-hague-convention/
- United Nations Educational, Scientific and Cultural Organization, "Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property 1970," UNESCO, http://portal.unesco.org/en/ev.php-URL_ID=13039&URL_DO=DO_TOPIC&URL_SECTION=201.html.
- United Nations Educational, Scientific and Cultural Organization, "Convention Concerning the Protection of the World Cultural and Natural Heritage," UNESCO, World Heritage Convention, https://whc.unesco.org/en/conventiontext/.
- United Nations Educational, Scientific and Cultural Organization, "Underwater Cultural Heritage: About the Convention on the Protection of the Underwater Cultural Heritage," UNESCO, http://www.unesco.org/new/en/culture/themes/underwater-cultural-heritage/2001-convention/.
- United Nations Educational, Scientific and Cultural Organization, "Text of the Convention for the Safeguarding of the Intangible Cultural Heritage," UNESCO, Intangible Cultural Heritage, https://ich.unesco.org/en/convention.
- United Nations Educational, Scientific and Cultural Organization, "The Convention on the Protection and Promotion of the Diversity of Cultural Expressions," UNESCO, https://en.unesco.org/creativity/convention.
- World Intellectual Property Organization, "Intergovenmental Committee (IGC) [on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore]," WIPO, https://www.wipo.int/tk/en/igc/.
- Convention on Biological Diversity, "COP 10 Decision X/42: X/42.The Tkarihwaié:ri Code of Ethical Conduct to Ensure Respect for the Cultural and Intellectual Heritage of Indigenous and Local Communities," CBD, https://www.cbd.int/decision/cop/?id=12308.

[1] United Nations Educational, Scientific and Cultural Organization, "Convention Concerning the Protection of the World Cultural and Natural Heritage," UNESCO, World Heritage Convention, https://whc.unesco.org/en/conventiontext/.
[2] United Nations Educational, Scientific and Cultural Organization, "World Heritage List," UNESCO, World Heritage Convention, https://whc.unesco.org/en/list/.

Guidance Note 4: Indigenous peoples and historically underserved local communities

FF. 1. Introduction

Indigenous peoples and historically underserved local communities number more than 476 million, living in some 90 countries, representing 6.2 per cent of the world population. The majority live in Asia (70.5 per cent), followed by Africa (16.3 per cent), Latin America and the Caribbean (11.5 per cent), North America (1.6 per cent) and Europe and Central Asia (0.1 per cent). Indigenous peoples and historically underserved local communities continue to be among the poorest of the poor with an estimated 18.2 percent living below the threshold of US$1.90 a day.[1] IFAD's Strategic Framework identifies indigenous peoples and historically underserved local communities as an important target group,[2] And IFAD seeks to empower indigenous peoples and historically underserved local communities to overcome poverty by building upon the assets of their identity, culture and resources.

Indigenous peoples and historically underserved local communities may face economic, social, political and cultural marginalization – compounded by discrimination and exclusion – in the societies in which they live, resulting in extreme poverty and vulnerability for a disproportionate number of them.

Indigenous peoples and historically underserved local communities' holistic approach to well-being emphasizes harmony with nature, self-governance, priority of community interests over individual ones, security of land and resource rights, cultural identity and dignity. Central to their identity is the relationship to ancestral territories and resources. However, long-standing pressures from mining, logging, advancing agricultural frontiers and other factors threaten indigenous peoples and historically underserved local communities' lands, territories and resources and thus core facets of their identity.

IFAD's work with indigenous peoples and historically underserved local communities is guided by its Policy on Engagement with Indigenous Peoples.[3] The organization's approach to engaging with indigenous peoples and historically underserved local communities is predicated on the recognition that if indigenous peoples and historically underserved local communities are to overcome poverty and marginalization, the development strategy pursued must be shaped by their identity, values and culture.

The policy reinforces IFAD's objectives to ensure that indigenous peoples and historically underserved local communities in rural areas are empowered to improve their well-being, income and food security through self-driven development. The policy establishes nine guiding principles:

(a) Cultural heritage and identity as assets: assisting communities to take full advantage of their traditional, knowledge, culture, governance systems and natural resources;

(b) Free, prior and informed consent: ensuring the participation of indigenous peoples and historically underserved local communities in determining priorities for their own development and obtaining their free, prior and informed consent;

[1] International Labour Organization, *Implementing the ILO Indigenous and Tribal Peoples Convention No. 169: Towards an inclusive, sustainable and just future* (Geneva, Switzerland: ILO, 2020), https://www.ilo.org/global/publications/books/WCMS_735607/lang--en/index.htm.

[2] IFAD, *IFAD Strategic Framework 2016-2025: Enabling inclusive and sustainable rural transformation* (Rome: IFAD, 2016), https://www.ifad.org/en/strategic-framework.

[3] IFAD, *Engagement with Indigenous Peoples: Policy* (Rome: IFAD, 2009), https://www.ifad.org/en/document-detail/asset/39432502.

(c) Community-driven development: enhancing community-driven development approaches aligned to the holistic perspectives of indigenous peoples and historically underserved local communities where ecosystems and social and economic systems are intertwined;

(d) Land, territories and resources: promoting equitable access to lands and territories by indigenous peoples and historically underserved local communities and enhancing their tenure security;

(e) Indigenous peoples and historically underserved local communities' knowledge: valuing indigenous peoples and historically underserved local communities' unique knowledge and practices and promoting partnerships that seek to blend traditional knowledge with modern scientific approaches;

(f) Environmental issues and climate change: enhancing resilience of the ecosystems in which indigenous peoples and historically underserved local communities live and developing innovative adaptation measures while avoiding support for climate-change mitigation measures that may adversely impact their livelihoods;

(g) Promoting access to markets: helping indigenous peoples and historically underserved local communities to value their products and engage in markets on more profitable terms;

(h) Empowerment: providing resources for training, capacity-building and enabling indigenous peoples and historically underserved local communities to effectively negotiate and secure and manage their own resources and lead their own development processes; and

(i) Gender equality: improving the well-being of indigenous women by expanding their access to and control of resources, strengthening their agency and decision-making roles, and supporting their role as stewards of natural resources and biodiversity and bearers of richly varied traditional knowledge systems.

Standard 4: Indigenous peoples and historically underserved local communities incorporates and builds upon these principles and aims to ensure that the rights of indigenous peoples and historically underserved local communities are fully respected in the development and implementation of IFAD-supported projects.

Standard 4 also reflects relevant international human rights standards and principles and numerous decisions of the international bodies charged with interpreting these agreements.[4] For example, the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)[5] specifically mandates the organs and specialized agencies of the United Nations system (including IFAD) to promote respect for and full application of the rights affirmed in UNDRIP.[6] IFAD has established a range of mechanisms for its work with indigenous communities. These include the Indigenous Peoples Assistance Facility (https://www.ifad.org/en/ipaf) (IPAF), a small-grants funding mechanism for projects designed and implemented by indigenous peoples and historically underserved local communities and their representatives, and the Indigenous Peoples Forum (https://www.ifad.org/en/indigenous-peoples-forum) at IFAD, which promotes dialogue and consultation among indigenous peoples and historically underserved local communities ' organizations and institutions, IFAD staff and Member States.

[4] For information on key milestones in the international framework on indigenous peoples, see IFAD, *Engagement with Indigenous Peoples: Policy* (Rome: IFAD, 2009), Annex I, https://www.ifad.org/en/document-detail/asset/39432502.
[5] United Nations, "United Nations Declaration on the Rights of Indigenous Peoples." United Nations. https://www.un.org/development/desa/indigenouspeoples/declaration-on-the-rights-of-indigenous-peoples.html.
[6] UNDRIP, while legally a declaration and not a binding treaty, in many respects effectively compiles the human rights of indigenous peoples already affirmed in binding treaties ratified by the overwhelming majority of United Nations Member States. As such, it helps to increase understanding of how state duties and obligations are to be exercised with respect to the protection and promotion of such rights.

This guidance note provides operational guidelines for addressing the requirements of Standard 4 throughout the IFAD programming cycle. Section 2 provides an overview of key steps and includes an outline of key roles and responsibilities for both project delivery teams (PDTs) and the borrower/recipient/partner within the context of IFAD's Social, Environmental and Climate Assessment Procedures (SECAP).[7] It also provides necessary background information on identifying indigenous peoples and historically underserved local communities in the context of IFAD-supported projects.

Section 3 provides an introduction and cross-referencing of requirements for each of the Standard 4 questions in the SECAP screening checklist. Section 4 provides a discussion of key issues related to addressing each of the specific Standard 4 requirements during the social and environmental assessment and management planning process. The note concludes a short section on relevant Standard 4 monitoring issues (section 5).

It should be noted that there are a wide range of available resources regarding indigenous peoples and historically underserved local communities' issues. Project screeners and developers may also wish to consult the United Nations Resource Kit on Indigenous Peoples' Issues (2008).[8] This guidance note addresses the requirements of Standard 4 more specifically.

GG. 2. Key steps, roles and responsibilities, objectives and background

Table 1 presents a short overview of the key steps in the process for addressing the requirements of Standard 4: Indigenous peoples and historically underserved local communities in SECAP.

Table 1

Quick overview of key steps for addressing requirements of Social, Environmental and Climate Standard 4: Indigenous peoples and historically underserved local communities

Screen to identify indigenous peoples and historically underserved local communities and potential risks

- As early as possible, identify potential partners from indigenous peoples and historically underserved local communities in order to ascertain their priorities and preferred strategies for project development.
- Screen project design using the SECAP screening checklist to (a) identify presence of indigenous peoples and historically underserved local communities in the project area, including adjacent areas that may be impacted by the project (e.g. downstream river communities) (see section 2.3, below, on identifying indigenous peoples and historically underserved local communities) and (b) identify potential impacts on indigenous peoples and historically underserved local communities and their lands, territories, resources and livelihoods.
- Develop a stakeholder engagement plan and start early consultations. For projects that target indigenous peoples and historically underserved local communities or are implemented in rural areas that are home to indigenous and tribal peoples and ethnic minorities, develop an implementation plan based on free, prior and informed consent (FPIC),and initiate FPIC processes (note that IFAD's FPIC requirements also apply to projects that affect land access and use rights of rural communities).

Assess potential risks and impacts

- Assess direct and indirect, positive and negative impacts of project activities on indigenous peoples and historically underserved local communities, their rights, lands, territories and resources, social, cultural and economic status, livelihood systems, etc.
- Ensure indigenous peoples and historically underserved local communities are actively involved in project design, risk identification and analysis.

Mitigate, manage and monitor risks and impacts

[7] IFAD, *Social, Environmental and Climate Assessment Procedures: Volume 1* (Rome: IFAD, 2020). [INSERT LINK WHEN AVAILABLE]

[8] United Nations, *Resource Kit on Indigenous Peoples' Issues* (New York, USA: United Nations, 2008), https://www.un.org/esa/socdev/unpfii/documents/resource_kit_indigenous_2008.pdf.

- Apply precautionary principle and follow mitigation hierarchy.*
- With the active participation of indigenous peoples and historically underserved local communities, develop and implement an indigenous peoples plan and an FPIC implementation plan with appropriate mitigation and management measures.
- Monitor affected indigenous peoples and historically underserved local communities using participatory approaches.

***** The mitigation hierarchy is applied by (a) anticipating and avoiding risks and impacts; (b) where avoidance is not possible, minimizing or reducing risks and impacts; (c) once risks and impacts have been minimized or reduced, mitigating them; and (d) where residual adverse impacts remain, compensating for or offsetting them, where technically and financially feasible.

2.1 SECAP roles and responsibilities

The roles and responsibilities outlined in table 2 describe the major functions of IFAD PDT's and the borrower/recipient/partner in the SECAP process during project identification, preparation and implementation. [9]

Table 2

Roles and responsibilities of IFAD project delivery teams and the borrower/recipient/partner in the social, environmental and climate assessment procedures process

Project stage	*IFAD PDT*	*Borrower/recipient/partner*
Identification, preparation and development	• Overseeing application of SECAP processes, including gender mainstreaming. • Screening projects to determine if they trigger all safeguard standards, including whether a full or abbreviated ESIA is required. • In addition to the environmental and social screening and categorization process, a parallel exercise should be undertaken by PDTs to determine the exposure and sensitivity of the project objectives to climate-related risks, based on available information about historic climate-hazard occurrences, current climate trends and future climate-change scenarios. • Reviewing and assessing the ESIA terms of reference, the ESIA document/report and project-level plans, including the adequacy of the assessment of project impacts and the proposed measures to address issues to ensure they meet applicable safeguard standards, prior to project approval. • Approving project concept based on a determination that safeguard issues have been adequately addressed. If adverse	• Providing accurate, reliable and timely information required in the SECAP screening checklist. • Designing, planning and preparing project concepts and proposals according to SECAP requirements. • The costs for preparing the (abbreviated) background studies (feasibility studies, ESIAs, RAF/RAP, etc.) will be financed by the borrower/recipient/partner. Upon a written request by the borrower/recipient/partner, studies and assessments may be financed through the Faster Implementation of Project Start-up instrument. For project-level assessments ((abbreviated) ESCMF, ESCMP, ESIA, RAF/RAP, FPIC plan, indigenous peoples plans, environment and social audit and/or ex post ESIA, as required) undertaken during project implementation, the associated costs will be included in the project cost, including the cost for ensuring meaningful community participation. • Overseeing the ESIA process, and preparation of project management plans resulting from application of the standards and requirements of SECAP. • Implementing all required consultations with project stakeholders, including informing affected communities and explaining the project to them;

[9] Further information is provided in section 1.3 of IFAD, *Social, Environmental and Climate Assessment Procedures: Volume 1* (Rome: IFAD, 2020). [INSERT LINK WHEN AVAILABLE]

Project stage	*IFAD PDT*	*Borrower/recipient/partner*
	environmental or social impacts outweigh the expected benefits, IFAD shall not support the project. • Disclosing of ESIA and project-level plans through the IFAD website.	incorporating feedback from and changes agreed with them; and obtaining and documenting their free, prior and informed consent.
Implementation	• Reviewing and monitoring of implementation of financial, technical and project-level plans, including through project kick-off/launch workshops, supervision missions, midterm reviews, field visits, audits and follow-up visits as appropriate to the scale, nature and risks of the project. • Working with the borrower/recipient/partner to identify and plan for corrective measures that achieve the results and uphold the safeguard standards expected under each project in cases when a project review finds that the borrower/recipient/partner is not following project-level plans (i.e. any of the safeguard-related management plans required). If these measures do not succeed in correcting the deficiencies, IFAD may withhold payment or suspend or cancel the grant/loan, as appropriate. • Disclosing completed project evaluations and results through the IFAD website (following donor acceptance, and subject to exclusion of proprietary and personal information).	• Executing project management plans and monitoring the effectiveness of risk mitigation measures; ensuring compliance with and adherence to all safeguards outlined in each of the plans, and undertaking corrective measures in cases where plans have not been executed satisfactorily or where negative or adverse impacts have arisen despite efforts to adhere to project plans. • Informing project-affected local authorities, other stakeholders and IFAD on project progress and on any unexpected and unintended events affecting those communities, in accordance with project-level plan requirements and the project's agreed-upon reporting schedule. • Incorporating feedback from project-affected parties and providing and documenting the process to obtain their free, prior and informed consent to any changes in the project plan. • Producing a project completion report to document safeguard monitoring.

ESCMF = environmental, social and climate management framework; ESCMP = environmental, social and climate management plan; ESIA = environmental and social impact assessment; FPIC = free, prior and informed consent; PDT = project delivery team; RAF = resettlement action framework; RAP = resettlement action plan; SECAP = Social, Environmental and Climate Assessment Procedures

2.2 Objectives and requirements

Standard 4: Indigenous peoples and historically underserved local communities is a cornerstone to IFAD's goal to design projects not only with the full, effective and meaningful participation of indigenous peoples and historically underserved local communities but also in a manner that aligns with their distinct vision and development priorities, building sustainable partnerships with indigenous peoples and historically underserved local communities.

Standard 4 seeks to ensure that projects are designed and implemented in a way that fosters full respect for indigenous peoples and historically underserved local communities and their human rights, livelihoods and cultural uniqueness as they define them. The need for the standard is an acknowledgement of a history of discrimination and exclusion of indigenous

peoples and historically underserved local communities that has limited or prevented them from directing the course of their own development and well-being.
The requirements set out in Standard 4 are designed to achieve the following objectives:

- Promote indigenous peoples and historically underserved local communities ability to determine and develop priorities and strategies for exercising their right to development;
- Ensure that programming is designed in partnership with indigenous peoples and historically underserved local communities, with their full effective and meaningful consultation and participation, with the objective of seeking their free, prior and informed consent (FPIC);
- Ensure indigenous peoples and historically underserved local communities obtain fair and equitable benefits and opportunities from supported activities in a culturally appropriate and inclusive manner; and
- Recognize and respect the rights of indigenous peoples and historically underserved local communities to their lands, territories, waters and coastal seas and other resources that they have traditionally owned or otherwise occupied and used.

Implementation of the requirements of Standard 4 also aims to avoid adverse impacts on indigenous peoples and historically underserved local communities, their rights, lands, territories and resources and – together with affected indigenous peoples and historically underserved local communities – to mitigate and remedy any adverse impacts that cannot be avoided.

2.3 A few key concepts

Several key concepts and terms need to be understood when addressing the requirements of Standard 4. These are noted below. IFAD has also developed an Indigenous Peoples Glossary[10] that defines a wide range of additional terms.

(xix) Indigenous peoples

There is no one universally accepted definition of indigenous peoples and the prevailing view today is that no formal universal definition is necessary for the recognition and protection of indigenous peoples' rights. It is critical to note that states and indigenous peoples might differ regarding official recognition. IFAD's Policy on Engagement with Indigenous Peoples states that, consistent with international practice[11] and for the purposes of the policy, IFAD will use a working definition of indigenous peoples based on the following criteria:

- Priority in time with respect to occupation and use of specific territory;
- The voluntary perpetuation of cultural distinctiveness, which may include aspects of language, social organization, religion and spiritual values, modes of production, laws and institutions;
- Self-identification, as well as recognition by other groups or by state authorities, as a distinct collectivity; and
- An experience of subjugation, marginalization, dispossession, exclusion or discrimination.

Indigenous peoples may have a distinct language or dialect, often different from the official language or languages of the country or region in which they reside.
Indigenous peoples include those peoples who have lost access to lands, territories or resources because of forced severance, conflict, government resettlement, dispossession, natural disasters or incorporation of lands into urban areas but that still maintain collective attachment to those lands, territories and resources.

[10] IFAD, *Indigenous Peoples Glossary* (2nd Edition) (Rome: IFAD, 2018, https://www.ifad.org/en/web/knowledge/publication/asset/39598160.
[11] See United Nations, Economic and Social Council, Commission on Human Rights, *Standard-Setting Activities: Evolution Of Standards Concerning The Rights Of Indigenous People: Working Paper by the Chairperson-Rapporteur, Mrs. Erica-Irene A. Daes, on the concept of "indigenous people."* E/CN.4/Sub.2/AC.4/1996/2 (New York, USA: United Nations, 1996), https://documents-dds-ny.un.org/doc/UNDOC/GEN/G96/129/80/PDF/G9612980.pdf?OpenElement.

Indigenous peoples might not be recognized by the country in question or possess recognized title to lands, territories or resources. In some countries, indigenous peoples may be referred to by other terms, such as “ethnic groups or minorities,” “aboriginals,” “hill peoples/tribes,” “highland peoples,” “minority nationalities,” “scheduled tribes,” “first nations,” “tribal groups,” “pastoralists,” “hunter-gatherers,” “nomadic groups,” “*pueblos originarios*” (Plurinational State of Bolivia), “*adat* communities” (Indonesia), or “forest dwellers”. Standard 4 uses the term ‘indigenous peoples and historically underserved local communities’, recognizing the different terminology that might be used to refer to indigenous peoples in the national context. Regardless of which terminology is used in a certain country, the standard 4 requirements shall apply to peoples that satisfy the above criteria and self-identify as indigenous peoples.

(xx) Free, prior and informed consent

Numerous international and regional instruments have affirmed FPIC as a legal norm imposing clear affirmative duties and obligations on states that should be pursued in a wide range of circumstances.[12] While there is no single internationally agreed definition of FPIC, there is a sufficient and growing consensus around what FPIC comprises and regarding the bare minimum measures that a state must take to guarantee respect for and protection and enjoyment of FPIC.

At a very general level, FPIC may be understood as the right of people to approve or reject certain proposed actions that may affect them, and that the process for reaching such a decision must possess certain characteristics. IFAD’s How to Do note on FPIC (see footnote 13) further elaborates on the definition and meaning of FPIC. Box 1 below provides a common overview of the elements of FPIC.

Box 1. Elements of a common understanding of FPIC

*

“Free” refers to a consent given voluntarily and absent of coercion, intimidation or manipulation. Free refers to a process that is self-directed by the community from whom consent is being sought, unencumbered by coercion, expectations or timelines that are externally imposed:

- Stakeholders determine process, timeline and decision-making structure.
- Information is transparently and objectively offered at stakeholders’ request.
- Process is free from coercion, bias, conditions, bribery or rewards.
- Meetings and decisions take place at locations and times and in languages and formats determined by the stakeholders.
- All community members are free to participate regardless of gender, age or standing.

“Prior” means consent is sought sufficiently in advance of any authorization or commencement of activities. Prior refers to a period of time in advance of an activity or process when consent should be sought, as well as the period between when consent is sought and when consent is given or withheld. Prior means at the early stages of a development or investment plan, not only when the need arises to obtain approval from the community:

- Prior implies that time is provided to understand, access and analyse information on the proposed activity. The amount of time required will depend on the decision-making processes of the rights holders.

[12] See IFAD, *How to Do: Seeking Free, Prior and Informed Consent in IFAD Investment Projects* (Rome: IFAD, 2015), Annex 5: International Framework, https://www.ifad.org/en/web/knowledge/publication/asset/39181253.

- Information must be provided before activities can be initiated, at the beginning or initiation of an activity, process or phase of implementation, including conceptualization, design, proposal, information, execution and following evaluation.
- The decision-making timeline established by the rights holders must be respected as it reflects the time needed to understand, analyse and evaluate the activities under consideration in accordance with their own customs.

"Informed" refers mainly to the nature of the engagement and type of information that should be provided prior to seeking consent and also as part of the ongoing consent process. Information should:

- Be accessible, clear, consistent, accurate, constant, and transparent;
- Be delivered in appropriate language and culturally appropriate format (including radio, video, graphics, documentaries, photos and oral presentations);
- Be objective, covering both the positive and negative potential of project activities and consequences of giving or withholding consent;
- Be complete, covering the spectrum of potential social, financial, political, cultural and environmental impacts, including scientific information, with access to original sources in appropriate language;
- Be delivered in a manner that strengthens and does not erode indigenous or local cultures;
- Be delivered by culturally appropriate personnel, in culturally appropriate locations, and include capacity-building of indigenous or local trainers;
- Be delivered with sufficient time to be understood and verified;
- Reach the most remote, rural communities, women and the marginalized; and
- Be provided on an ongoing and continuous basis throughout the FPIC process.

"Consent" refers to the collective decision made by the rights holders and reached through the customary decision-making processes of the affected peoples or communities. Consent must be sought and granted or withheld according to the unique formal or informal political-administrative dynamic of each community. Consent is:

- A freely given decision that may be a "Yes" or a "No," including the option to reconsider if the proposed activities change or if new information relevant to the proposed activities emerges;
- A collective decision determined by the affected peoples (e.g. consensus, majority, etc.) in accordance with their own customs and traditions;
- The expression of rights (to self-determination, lands, resources and territories, and culture); and
- Given or withheld in phases, over specific periods of time for distinct stages or phases of the project. It is not a one-off process.

While the objective of consultation processes shall be to reach an agreement (consent) between the relevant parties, this does not mean that all FPIC processes will lead to the consent of and approval by the rights holders in question. At the core of FPIC is the right of the peoples concerned to choose to engage, negotiate and decide to grant or withhold consent, as well as the acknowledgement that under certain circumstances it must be accepted that the project will not proceed and/or that engagement must be ceased if the affected peoples decide that they do not want to commence or continue with negotiations or if they decide to withhold their consent to the project.

Countries such as Australia, the Philippines and Peru have included FPIC in their national legal framework. Requirements thus go beyond the legal need for consultation (such as in laws in the Plurinational State of Bolivia or Ecuador) and stipulate the obligation to obtain written or otherwise confirmed consent by the affected indigenous population.

* These definitions build on the elements of a common understanding of free, prior and informed consent endorsed by the United Nations Permanent Forum on Indigenous Issues at its Fourth Session in 2005

(United Nations, Economic and Social Council, *Report of the International Workshop on Methodologies regarding Free Prior and Informed Consent,* E/C.19/2005/3 (New York, USA: United Nations, 2005), https://undocs.org/E/C.19/2005/3).

(xxi) Lands, territories and resources

Indigenous peoples and historically underserved local communities' relationship with their traditional lands, territories and resources forms a core part of their identity and spirituality and is deeply rooted in their culture, identity and history. For indigenous peoples and historically underserved local communities, the absence of secure and enforceable rights to ancestral lands, resources and territories signifies a threat to their means of subsistence or even to their physical and cultural survival. While some might see a project activity – such as restricted access to resources for conservation purposes – as having little or no adverse impact on indigenous rights, lands or resources, from an indigenous peoples and historically underserved local communities' perspective it may undermine the ability to maintain and strengthen their institutions, cultures and traditions, for example, by interfering with spiritual practices related to sacred flora or fauna or blocking access to foods and traditional medicines and materials. Such restrictions might represent a permanent loss of the territorial base from which indigenous peoples and historically underserved local communities sustain their unity and distinct governance and manifest, preserve and transmit their cultural norms, values and practices. Standard 4 thus supports the legal recognition of customary or traditional land tenure and management systems and collective rights (paragraph 8). In addressing this requirement, it is important to keep in mind at all times that:

- A profound relationship exists between indigenous peoples and historically underserved local communities and their lands, territories and resources that has various social, cultural, spiritual, economic and political dimensions and responsibilities;
- The collective dimension of this relationship is significant; and
- The intergenerational aspect of such a relationship is also crucial to indigenous peoples and historically underserved local communities' identity, survival and cultural viability.[13]

(xxii) Traditional livelihoods

While the multitude of indigenous peoples and historically underserved local communities throughout the world differ from one another in many respects, one thing that they tend to have in common is the special connection they have with their natural environment. They have adapted to those surroundings, with their customary laws, cultures, and traditions often developing around the very manner in which they depend on those resources for their subsistence. These traditional practices are essential to meet basic needs – food, shelter, health, etc. – as well as to maintain, preserve and transmit to future generations their spiritual and cultural identity. These livelihood activities may manifest themselves in traditional occupations involving, among others, the gathering of food and forest products, making handicrafts, weaving, fishing, hunting, rotational farming/shifting cultivation, trapping, wildlife-rearing and animal husbandry, woodcarving and other community-based industries. In some cases, the traditional activities have evolved to account for contemporary and ever-changing

[13] United Nations, Economic and Social Council, Commission on Human Rights, *Prevention of Discrimination and Protection of Indigenous Peoples and Minorities: Indigenous people and their relationship to land; Final working paper prepared by the Special Rapporteur, Mrs Erica-Irene A. Daes*. UN Doc. E/CN.4/Sub.2/2001/21 (New York, USA: United Nations, 2001), para. 20 (2001), https://undocs.org/en/E/CN.4/Sub.2/2001/21. See also IFAD, *Indigenous Peoples' Collective Rights to Lands, Territories and Natural Resources: Lessons from IFAD-supported projects* (Rome: IFAD, no date), https://www.ifad.org/documents/38714170/40272519/IPs_Land.pdf/ea85011b-7f67-4b02-9399-aaea99c414ba.

social, economic and political circumstances but have not necessarily lost their origins in a traditional livelihood.

HH. 3. Screening

The requirements of Standard 4 should be considered and addressed in an integrated manner during the screening process, using the SECAP screening checklist to identify if there are potential significant impacts and risks related to indigenous peoples and historically underserved local communities.

It may be a challenge at project concept stage to identify if indigenous peoples and historically underserved local communities may be affected, given the early stage of project development and the potential lack of specificity regarding project sites and/or some activities. (Of course, this is not an issue for projects that a target indigenous peoples and historically underserved local communities) Screening question 1 (table 3) and the related text provides guidance on identifying indigenous peoples and historically underserved local communities. Screening will initiate a process of data collection on the potential presence of indigenous peoples and historically underserved local communities that may involve several iterations as the project is further specified. The text below includes guiding questions and general suggestions on sources of relevant information.

If moderate, substantial or high risks are identified during screening, then relevant standard 4 requirements need to be addressed in project design and implementation, including as part of overall impact assessment, management, and mitigation and monitoring activities. However, even for projects categorized as low risk, IFAD's commitments to partnership and respect for the right to FPIC apply.

Screening helps to determine whether risks to indigenous peoples and historically underserved local communities will be a major project issue and, if so, what features of the project require further study and assessment. This process can be complex and therefore often requires the judgement of qualified and experienced social experts with direct knowledge of project-affected indigenous peoples and historically underserved local communities and their lands, territories and resources. Location and types of activities need to be carefully reviewed.

Table 3 provides some cross-referencing of SECAP indigenous peoples and historically underserved local communities screening questions and sections of this guidance note.

Table 3

SECAP indigenous peoples and historically underserved local communities screening questions and standard 4 requirements[a]

	Reference to key standard 4 requirements and sections of this guidance note
Would the project potentially involve or lead to:	
1. Areas where indigenous peoples and historically underserved local communities are present (including the project area of influence)?	See "Indigenous peoples and historically underserved local communities" in section 2.3: A few key concepts and the note on Q1 below
2. Activities located on lands and territories claimed by indigenous peoples and historically underserved local communities?	See note on Q2 below and section 4, box 4 and para. 9 of the standard 4 requirements
3. Impacts on the rights of indigenous peoples and historically underserved local communities or to the lands, territories and resources claimed by them?	See section 4 on assessment and paras. 6-9

4. The utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples and historically underserved local communities?	See section 4 on assessment and para. 9
5. Impacts on the cultural heritage of indigenous peoples and historically underserved local communities, including through the commercialization or use of their traditional knowledge and practices?	See section 4 on assessment and para. 13

[a] Note: the requirements of standard 4 are interrelated and multiple requirements may apply to any one of the IFAD risk questions. However, to facilitate addressing the IFAD questions, key relevant standard 4 concepts, definitions and requirements are cross-referenced here.

The following provides guidance on addressing screening questions 1 and 2.

Question 1 highlights the importance of correctly identifying a potentially affected group as indigenous peoples and historically underserved local communities. This is not necessarily a straightforward process as there is no one universally accepted definition of indigenous peoples and states and indigenous peoples and historically underserved local communities might differ regarding official recognition. As described in section 2.3 (above), standard 4 applies a broader identification method that goes beyond whether a state has or has not recognized the peoples as indigenous. This approach is designed to respect the rights of indigenous peoples and historically underserved local communities over their land, territories and resources and to avoid risks to potentially vulnerable communities, enhance opportunities for inclusiveness in project benefits and avoid involvement in conflicts and debates surrounding the absence of state recognition. It is also consistent with the approaches taken by other development and international financial institution policies on indigenous peoples and historically underserved local communities.

The engagement of indigenous peoples and historically underserved local communities' experts in project screening may be necessary. IFAD has valuable experience in engaging indigenous experts in the design and implementation of its financed initiatives. Project screeners require a clear understanding of the geography of the project's location, activities and potential impacts, including broad knowledge of the project's area of influence, associated facilities (components not funded as part of the project but whose viability and existence depend on the project) and potential cumulative impacts, including from unplanned but predictable developments or activities caused by the project.

Questions to consider include the following:

- Are there peoples identifying themselves as indigenous peoples and historically underserved local communities or as belonging to distinct social and cultural groups in the project area? (Note that a wide range of terms may be used, such as tribes, ethnic minorities, indigenous nationalities, aboriginals, indigenous communities, *pueblos originarios*, *adat* communities, scheduled tribes, hill peoples, highland peoples, indigenous peoples, amerindians, *adivasi*, etc.)
- Are the peoples and/or their rights recognized in the national constitution, legislation or laws?
- What is the general situation of the peoples compared with the mainstream dominant society?
- Do the people have distinct customs, norms and institutions (e.g. practices, internal laws and institutions)?
- Do the peoples in the project area speak their own languages distinct from the mainstream language?
- Do they have their own traditional governance systems?

- Do the peoples have a distinct relationship to the lands they inhabit and resources they use and/or to ancestral domains (e.g. related to their traditional livelihoods or spiritual beliefs)?
- Do they own or otherwise occupy and use those lands, territories and resources, and are they using or occupying it for reasons of resettlement and/or displacement?
- Do the peoples have an experience of subjugation, marginalization, dispossession, exclusion or discrimination?
- Do sociological data reflect indigenous peoples and historically underserved local communities?
- Are there indications that the peoples concerned are unaware of the rights that attach to the designation as indigenous peoples or that they may fear the implications of calling themselves indigenous peoples?
- Are there indigenous peoples and historically underserved local communities' organizations that can provide information and data on the peoples living in the area?

Box 2. Resources on identifying indigenous peoples and historically underserved local communities

- National authorities and census data may provide information on indigenous communities. However, such data may not reflect groups that are not officially recognized.
- Indigenous peoples and historically underserved local communities' organizations, human rights organizations, sociologists and civil society organizations may possess important information on locations of indigenous peoples and historically underserved local communities lands and territories.
- The International Working Group for Indigenous Affairs produces an annual report on indigenous peoples and historically underserved local communities by country.[14]

At times questions may arise as to whether certain other individuals or groups are also part of an identified indigenous collective or constitute another indigenous peoples and historically underserved local communities or collective entirely (e.g. a relocated but long-standing local farming community). These are, however, separate questions. Each collective must be considered on its own merit given the facts and circumstances in question. Once a collective is determined to be an indigenous peoples and historically underserved local communities for purposes of standard 4, the extent of that collective – that is the scope of its membership – is an internal question that can only be answered by the people in question (as recognized under UNDRIP and other jurisprudence).[15] This distinction is important when the question arises as to who must effectively and meaningfully participate in all the phases of the project.
The identification of indigenous peoples and historically underserved local communities can be facilitated through consultations and gathering of information from, among others, project-affected people; relevant state entities; official registrations; qualified independent experts (e.g.

[14] See The International Work Group for Indigenous Affairs, *The Indigenous World 2020* (Copenhagen: IWGIA, 2020), http://iwgia.org/images/yearbook/2020/IWGIA_The_Indigenous_World_2020.pdf.
[15] See, for example, United Nations, *United Nations Declaration on the Rights of Indigenous Peoples*., A/RES/61/295 (New York, USA: United Nations, 2007), Arts. 9 & 33(1), https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2018/11/UNDRIP_E_web.pdf) and Inter-American Court of Human Rights, *Case of the Saramaka People v. Suriname: Judgement of 28 November 2007; (Preliminary Objections, Merits, Reparations, and Costs)*. (San José: IACHR, 2007), paras. 164 &188, https://www.corteidh.or.cr/docs/casos/articulos/seriec_172_ing.pdf. See also United Nations, Economic and Social Council, Commission on Human Rights, *Study of the Problem of Discrimination Against Indigenous Populations: Final report (last part) submitted by the Special Rapporteur, Mr José R. Martínez Cobo* E/CN.4/Sub.2/1983/21/Add.8, part F (New York, USA: United Nations, 1983),, p. 8 "Definition" and "Last Part," paras. 381-82, https://www.un.org/esa/socdev/unpfii/documents/MCS_xxi_xxii_e.pdf.

academics, historians, anthropologists, civil society actors, indigenous peoples and historically underserved local communities' organizations, human rights organizations and sociologists); and the treatment of the same collectives by international organizations, tribunals, financial institutions, commissions and bodies.

Question 2 requires project screeners to examine whether the project location and area of influence encompasses lands, resources and territories already owned, titled, occupied, used or otherwise claimed by indigenous peoples and historically underserved local communities. It is critical to recall that indigenous peoples and historically underserved local communities' rights to their ancestral lands, resources and territories is often a collective right arising from their own customary laws, not from the existence of a title or other property interest recognized and issued by the state (see section 2.3, above). Also, it is important to note that delimitation on a map may not always reflect demarcations on the ground or the full extent of traditional lands and territories (and the natural resources therein) claimed by the affected peoples. Occupation, use or titling by non-indigenous peoples and historically underserved local communities does not invalidate a claim by indigenous peoples and historically underserved local communities. "Claim" should be interpreted to include not just legal petitions before judicial or administrative bodies in accordance with the law but also denunciations and requests before one or more government bodies (administrative, legislative or otherwise).

3.1 Design considerations for projects that affect indigenous peoples and historically underserved local communities

IFAD's comparative advantage in working with indigenous peoples and historically underserved local communities lies in its core mission to empower poor rural people, of whom indigenous peoples and historically underserved local communities are often among the poorest. As noted earlier, IFAD seeks to ensure that indigenous peoples and historically underserved local communities in rural areas are empowered to improve their well-being, income and food security through self-driven development.

Table 4 provides a series of questions to enhance the design of projects that target or may affect indigenous peoples and historically underserved local communities. Project teams should use the table to strengthen the project strategy and components. In addition, as outlined in the following sections, findings of the project's environmental and social assessment will provide further information to strengthen project design and implementation.

Table 4.

Questions to strengthen project design for projects that target or affect indigenous peoples and historically underserved local communities

	Yes/No	*Proposal to enhance project design*
1. The project design report is in line with IFAD's Policy on Engagement with Indigenous Peoples and takes into account the socio-economic and cultural specificities of the indigenous peoples and historically underserved local communities living in the project area. It provides information on their demographic, social, cultural and political characteristics; the land and territories that they have traditionally owned or customarily used or occupied; and the natural resources they manage or depend upon.		
2. The project design report includes disaggregated data by indigenous group and geographical location.		
3. The project design report identifies interventions that respond to the needs and priorities as expressed by the targeted indigenous peoples and historically underserved local communities and that build on their knowledge, cultural systems and institutions.		

4. The design document describes – and the project/programme implements – operational measures to ensure indigenous peoples and historically underserved local communities' equitable participation in, and benefit from, project activities. These will generally include:

4.1. Ensuring that representatives of the indigenous peoples and historically underserved local communities, partners of the project, are present at all stages of the project cycle and that a consultation plan leading to their free, prior and informed consent is embedded in the project design and the consultation and participation process is documented

4.2. Ensuring that project/programme activities are co-created and co-managed by the indigenous peoples and historically underserved local communities

4.3 Ensuring the service providers and extension workers used by the project (public or private) have the capacity and are trained to reach out to indigenous peoples and historically underserved local communities

4.4 Ensuring that the project design report includes measures to strengthen (a) the social, legal and technical capacity of the government institutions to address indigenous peoples and historically underserved local communities' issues in the project area; (b) indigenous peoples and historically underserved local communities' institutions and organizations in the project area

4.5 Ensuring that information disclosure on the project is in accordance with prevailing indigenous peoples and historically underserved local communities' customs and traditions and printed material is written in the indigenous peoples and historically underserved local communities' language.

5. M&E mechanisms are participatory and adapted to capture indigenous peoples and historically underserved local communities' perceptions and perspectives. M&E systems include specific indicators to measure well-being, poverty and sustainability in a way that is relevant to indigenous peoples and historically underserved local communities.

II. 4. Addressing indigenous peoples and historically underserved local communities requirements in assessment and management planning

If screening indicates that the project targets or affects indigenous peoples and historically underserved local communities, this triggers standard 4 and the project must examine the potential risks of impacts on indigenous peoples and historically underserved local communities, their rights, lands, territories, resources livelihoods, etc. as an integral part of assessing the project's full range of potential adverse social and environmental risks and impacts.

Social and environmental assessment integrates these considerations into project decision-making so that adverse impacts can be avoided and positive impacts can be delivered in a culturally appropriate manner. As a key project risk-management tool, assessment and management decreases the chance of potential hazards to people or the environment and lowers risks of adverse media attention, project delays and reputational risks for all the development partners. Delays in the implementation of a project because social and environmental issues were not adequately considered can be significantly more costly than conducting social and environmental assessment at the outset. In some cases, the assessment may identify problems that are so serious that the project should not proceed.

The assessment provides data and analysis for preparing mitigation and management measures, which for indigenous peoples and historically underserved local communities issues generally takes the form of an indigenous peoples plan (IPP) (see below and paragraph 12).

The following paragraphs provide further guidance on conducting assessments for projects that may impact indigenous peoples and historically underserved local communities.

Recognizing the particular issues and challenges of assessing activities that may impact indigenous peoples and historically underserved local communities, the international community

developed the *Akwé: Kon Voluntary Guidelines for the Conduct of Cultural, Environmental and Social Impact Assessments Regarding Developments Proposed to Take Place on, or which are Likely to Impact on, Sacred Sites and on Lands and Waters Traditionally Occupied or Used by Indigenous and Local Communities* (CBD Decision VII/16).[16] The guidelines are designed to facilitate a collaborative framework within which decision makers, project proponents, governments and indigenous peoples can undertake culturally appropriate forms of impact assessment with the full and effective participation of indigenous peoples and local communities (box 3).

Box 3. Ten steps of the Akwé: Kon guidelines

1. Notification and public consultation of the proposed development by the proponent;
2. Identification of indigenous and local communities and relevant stakeholders likely to be affected by the proposed development;
3. Establishment of effective mechanisms for indigenous and local community participation, including for the participation of women, the youth, the elderly and other vulnerable groups, in the impact assessment processes;
4. Establishment of an agreed process for recording the views and concerns of the members of the indigenous or local community whose interests are likely to be impacted by a proposed development;
5. Establishment of a process whereby local and indigenous communities may have the option to accept or oppose a proposed development that may impact on their community;
6. Identification and provision of sufficient human, financial, technical and legal resources for effective indigenous and local community participation in all phases of impact assessment procedures;
7. Establishment of an environmental management or monitoring plan, including contingency plans regarding possible adverse cultural, environmental and social impacts resulting from a proposed development;
8. Identification of actors responsible for liability, redress, insurance and compensation;
9. Conclusion, as appropriate, of agreements, or action plans, on mutually agreed terms, between the proponent of the proposed development and the affected indigenous and local communities, for the implementation of measures to prevent or mitigate any negative impacts of the proposed development;
10. Establishment of a review and appeals process.

The following section expands on the above steps. The perspective of the indigenous peoples and historically underserved local communities concerned is a critical starting point for impact assessment, and the indigenous peoples and historically underserved local communities concerned should have ample opportunities as early as possible to participate in the assessment and development of avoidance and mitigation measures. Indigenous peoples and historically underserved local communities' traditional knowledge is a valuable resource for identifying and addressing potential environmental and social risks, including hazards and disaster risks, and should be incorporated throughout the project cycle.
The paragraphs below provide additional guidance on how to address various elements of standard 4 in the social and environmental assessment process, where relevant.

[16] Convention on Biological Diversity, "Akwé:Kon guidelines," CBD, https://www.cbd.int/traditional/guidelines.shtml.

(xxiii) Examine the short- and long-term, direct and indirect and positive and negative impacts

This should examine the impacts of the project on the social, cultural and economic status, including differential impacts of the project on the socio-economic status, culture and livelihood systems of affected indigenous peoples and historically underserved local communities. The assessment should include confirmation and description of the presence (through habitation, occupation or use) of indigenous peoples in areas that may be affected by the project's activities. The assessment will include a baseline socio-economic profile of the indigenous peoples and historically underserved local communities in the project area. In addition, the assessment needs to summarize the participatory processes with affected indigenous peoples and historically underserved local communities on the conduct of the assessment, including, if already initiated, a summary of FPIC processes and outcomes to date.
As part of the assessment process, project developers should undertake an initial mapping of the constituency that makes up the potentially affected indigenous peoples and historically underserved local communities, including gender-equality considerations, impacts on marginalized groups and individuals and risks of impacts on voluntarily isolated groups. Disaggregated data on the composition of potentially affected indigenous peoples and historically underserved local communities should be collected as part of the scoping and assessment of potential adverse social impacts. Potential impacts on marginalized or vulnerable groups within the indigenous peoples and historically underserved local communities should be examined (e.g. indigenous persons with disabilities). In assessing potential gender and power-relation impacts, opportunities for women's empowerment should be identified. It should be recognized that while often marginalized, women often play an indispensable role with respect to the management and use of indigenous peoples and historically underserved local communities' lands and resources, protection of livelihoods and the transmission of the communities' culture, knowledge and practices.

(xxiv) Analyse the substantive rights of the affected indigenous peoples and historically underserved local communities

Project developers should ensure that social and environmental assessments for projects involving indigenous peoples and historically underserved local communities include an analysis of their substantive rights. The scoping process for the assessment should include a comprehensive analysis of the international, national and local legal framework and substantive rights of potentially affected indigenous peoples and historically underserved local communities. A base understanding of the nature of the rights involved is needed in order to fully assess the project's potential impacts on those rights. The legal status of affected indigenous peoples and historically underserved local communities under international and domestic law should be included in this analysis, as should the status of land tenure related to the relevant areas that may be affected by the project. An indigenous peoples and historically underserved local communities expert (a national or international legal expert on indigenous peoples and historically underserved local communities' rights) would be able to undertake and provide this analysis, in consultation with indigenous peoples and historically underserved local communities, academics, indigenous peoples and historically underserved local communities' organizations and civil society organizations. It would include a review of international obligations of the government and would likely involve cooperation with government entities responsible for working with indigenous peoples and historically underserved local communities.

(xxv) Examine ownership and usage rights to lands, territories, resources

Where project activities may affect indigenous peoples and historically underserved local communities' lands, territories and resources, the social and environmental assessment will

need to include a targeted analysis of the status of ownership, occupation and usage rights of the affected lands, territories and resources in order to analyse the project's potential impacts on such rights (see box 4). The analysis would be conducted as part of the land assessment for the project and feed into the project's overall environmental and social assessment in order to help focus the assessment on critical issues that require detailed examination. The analysis would also take into account lands, territories and resources that are outside the project target area and that may be impacted by project activities (e.g. downstream water sources).

Box 4. Analysis of ownership and usage rights to potentially affected lands, territories and resources

The following points would be addressed as part of the project land-tenure assessment as outlined in the How-to-do note on land tenure in IFAD project design.[17] At a minimum, the following issues need to be examined when a project may affect lands, territories and resources of indigenous peoples and historically underserved local communities:

- Customary laws of the affected people related to tenure of lands and territories and resource use and management;
- Indigenous peoples and historically underserved local communities' use of the land and resources in accordance with their customary laws, practices, values and traditions, including cultural, ceremonial or spiritual use, and seasonal or intermittent use of resources (e.g. for hunting, pastoralism, fishing, grazing, agriculture, extraction of forest and woodland flora products, periodic cultural, ceremonial and spiritual uses);
- Existence of any formal legal ownership, occupation and/or use recognition resting with the concerned indigenous peoples and historically underserved local communities to all or some of the ancestral area;
- Identification of relevant recognitions, protections and mechanisms for securing indigenous peoples and historically underserved local communities' land-tenure security under national law and international obligations;
- Extent of titling/concessions given to non-indigenous peoples and historically underserved local communities within the lands and territories in question and any competing claims and the squatting or intrusions that already exist within the same area;
- Existence of land claims initiated by indigenous peoples and historically underserved local communities before tribunals, relevant government offices and administrative proceedings (including their duration);
- The interest and potential for indigenous peoples and historically underserved local communities' contributions and/or management of project activities impacting their lands, resources and territories; and
- The potential for increased land and resource conflicts between indigenous peoples and historically underserved local communities and surrounding communities.

All potential adverse impacts on such lands, resources and territories must be identified and addressed in the social and environmental assessment, including identification of alternative designs to avoid impacts and/or needed mitigation measures. The land-tenure assessment would feed into the overall risks and impact assessment and proposed mitigation and management measures.

[17] IFAD, *How to Do: Land tenure in IFAD project design* (Rome: IFAD, 2014), https://www.ifad.org/en/web/knowledge/publication/asset/39398988

Avoidance of harm is a primary objective (following the mitigation hierarchy[18]). Only where avoidance is not feasible shall mitigation, post-project restoration and full and fair compensation measures be employed – all of which must be developed with the free, prior and informed consent of the peoples concerned.

Land-based compensation should be preferred, while recognizing the difficulty of replacing a cultural connection to a specific parcel and its attendant resources. Unless otherwise freely agreed upon by the indigenous peoples and historically underserved local communities concerned, compensation shall take the form of lands, territories and resources equal in quality, size and legal status or of monetary compensation or other appropriate redress.

In some cases, lands, territories and resources under indigenous peoples and historically underserved local communities' claim may be designated by the host government for alternate uses, which may include conservation and protected areas and reserves, mineral concession areas and agricultural schemes. Also, non-indigenous users may have obtained title to the land. Such designations may or may not be consistent with the state's obligations. For instance, under international law mere declarations of public interest do not alone excuse interferences and acquisitions of indigenous peoples and historically underserved local communities' lands, territories and resources. The analysis of land issues should therefore not presume the legitimacy of such designations but evaluate them.

The analysis of indigenous peoples and historically underserved local communities' lands, territories and resources should also have a primary objective of identifying where there are opportunities for advancing the rights, contributions, benefits and greater management and control of indigenous peoples and historically underserved local communities over project activities that may affect their lands, resources and territories.

(xxvi) Expertise requirements

Assessments should be conducted by, or with the assistance of, qualified and experienced independent social experts, possibly indigenous experts or social experts with proven knowledge and experience on indigenous peoples and historically underserved local communities' issues. Beyond the qualifications obtained through formal technical training, experience should have been gained by close work with the potentially affected indigenous peoples and historically underserved local communities, or at minimum in the immediate area or with similar communities in other areas. The entity or the indigenous specialist should be independent and impartial. Conflicts of interest between project proponents, designers and assessment specialists are to be avoided.

4.1 Guidance on requirements

Standard 4 includes a range of requirements aimed at supporting indigenous peoples and historically underserved local communities and historically underserved local communities' rights and at avoiding potential adverse impacts on indigenous peoples and historically underserved local communities. The following sections outline key issues when addressing various standard 4 requirements during the social and environmental assessment and management planning process.

Projects that affect indigenous peoples and historically underserved local communities will typically require development of an IPP, including an FPIC implementation plan. The IPP addresses how potential risks and impacts on project-affected indigenous peoples and historically underserved local communities will be addressed and includes provision of culturally appropriate benefits. The range of standard 4 requirements will be reflected in the IPP, where relevant. In addition, as outlined below, an FPIC implementation plan will need to be developed. These instruments are explained below under paragraphs 6 and 7.

[18] The mitigation hierarchy is applied by (a) anticipating and avoiding risks and impacts; (b) where avoidance is not possible, minimizing or reducing risks and impacts; (c) once risks and impacts have been minimized or reduced, mitigating them; and (d) where residual adverse impacts remain, compensating for or offsetting them, where technically and financially feasible.

The following sections list the specific requirements of standard 4 (in boxes) followed by further guidance. The paragraph numbering ("paragraph XX") corresponds to the numbered standard 4 requirements as outlined in SECAP volume 1.[19]

Paragraph 7: Meaningful consultation and free, prior and informed consent

IFAD-supported projects will ensure that meaningful consultation and full and effective participation of indigenous peoples and historically underserved local communities are undertaken for all (investment) projects that may affect or involve indigenous peoples and historically underserved local communities and will ensure that free prior and informed consent (FPIC) is applied in projects that:

i. May have an impact on the land access and use rights of rural communities; and

ii. Target indigenous peoples and historically underserved local communities or rural areas that are home to indigenous and tribal peoples and ethnic minorities.

Engagement processes with indigenous peoples and historically underserved local communities will be undertaken in good faith, in a culturally appropriate manner, with due regard to indigenous peoples and historically underserved local communities' institutions, governance systems, customs and traditional methods of decision-making and will seek the FPIC of indigenous peoples and historically underserved local communities' affected by the project.

Borrowers/recipients/partners are responsible for seeking FPIC as part of the engagement process with indigenous peoples and historically underserved local communities. FPIC applies to local communities and indigenous peoples and historically underserved local communities, should be sought long enough before the commencement or authorization of project-related activities, taking into account indigenous peoples and historically underserved local communities' own governance systems and decision-making processes. It should also be sought in phases of assessment, planning, implementation, monitoring, evaluation and closure of a project.

FPIC needs to be sought either before project approval (design phase) or during the implementation phase, depending on the nature of the project, at what stage of the project cycle target communities are identified, and the investment and activities to be undertaken in each community. If it is not possible to seek FPIC during project design, a FPIC implementation plan should be prepared to specify how FPIC will be sought during early implementation and before any investment is made. The FPIC plan and related documents, including documented outcomes, must be disclosed in a timely and accessible manner at the relevant stages during implementation.

Ensuring full, effective and meaningful participation is at the heart of IFAD's approach to working with indigenous peoples and historically underserved local communities. Standard 4 contains specific requirements regarding participation of and agreement with indigenous peoples and historically underserved local communities throughout the project cycle. These requirements go far beyond the general stakeholder engagement requirements of IFAD's standards and must be carefully reviewed and implemented. The following discussion presents key elements of pursuing meaningful consultations and full and effective participation of project-affected indigenous peoples and historically underserved local communities.

(xxvii) Define mechanisms and processes for full, effective participation of indigenous peoples and historically underserved local communities throughout the project cycle

At the earliest stage of project conceptualization and design, mechanisms and processes need to be identified to ensure full, effective participation of indigenous peoples and historically underserved local communities throughout the project cycle. Participation mechanisms and

[19] See footnote 8, above.

processes are to be articulated in a stakeholder engagement plan that is incorporated in project documentation, and specifically as part of the IPP. The breadth and detail of participatory mechanisms and processes are scaled to the project's potential social and environmental risks and impacts and particular circumstances.

Issues discussed during consultation processes should be documented and outcomes should be incorporated into implementation of the project going forward. Planned project activities/phases that require further specific participatory processes should be clearly defined at the outset of the project.

Mapping of the affected indigenous peoples and historically underserved local communities to be consulted should begin in the design phase. It is essential that such processes be developed in a participatory manner with the indigenous peoples and historically underserved local communities concerned.

(xxviii) Ensure consultation processes are culturally appropriate and conducted in good faith

Consultation, and specifically FPIC processes (see below) are exercised collectively by the indigenous peoples and historically underserved local communities concerned and not by single members. It is exercised through their own governance structures and chosen representatives, in accordance with their own laws and customs for decision-making on such matters. Project developers need to be aware that indigenous peoples and historically underserved local communities are rights holders; they should thus pay special attention to ensuring that all processes apply international human rights standards of equality and non-discrimination, participation and inclusion, including of women and young indigenous peoples and historically underserved local communities.

Ultimately, all consultations with indigenous peoples and historically underserved local communities should be carried out in good faith with the objective of achieving agreement or consent. Consultation and consent are about indigenous peoples and historically underserved local communities' right to meaningfully and effectively participate in decision-making on matters that may affect them.

It is critical to note that consultation and consent processes are not a substitute for the full recognition and protection of indigenous peoples and historically underserved local communities' rights to property, self-determination and other human rights. The requirement of consent arises from indigenous peoples and historically underserved local communities' human rights to lands, territories and resources as well as their right to self-determination and many other rights (e.g. right to culture, right to practice their religion).[20] The assessment process and management measures must still examine how these underlying and fundamental rights may be at risk, how they should be protected and where opportunities exist to enhance their realization.

While each consultation and consent process should be tailored to the circumstances and people concerned, certain characteristics help to ensure effective good faith consultation, negotiation and consent processes and increase the likelihood of agreement (see box 5). Agreement and consent may not be forthcoming in all cases and the decision of indigenous peoples and historically underserved local communities to discontinue such processes – and consequently implementation of the project – should be respected (see box 6).

Box 5. Elements of consultation and consent processes with indigenous peoples and historically underserved local communities
• Identification of parties to the negotiation and decision makers

[20] These rights may be collective in nature. See IFAD, *Indigenous Peoples' Collective Rights to Lands, Territories And Natural Resources* (Rome: IFAD, no date), https://www.ifad.org/documents/38714170/40272519/IPs_Land.pdf/ea85011b-7f67-4b02-9399-aaea99c414ba.

- Elaboration of the decision-making processes of the respective parties
- The role if any of outside counsel and expertise, including e.g. a third-party mediator/negotiator
- Agreement on relevant time periods
- Applicable community protocols that must be respected
- Steps to guarantee an environment without coercion or duress
- The manner in which analysis and results of the prior social and environmental assessments shall be incorporated into the process
- The format for benefit-sharing discussions and arrangements
- Sharing of information in meaningful, accessible and culturally appropriate manner
- Identification of other project activities or circumstances that will trigger additional consent processes
- The format for documenting the agreement, conditions that attach and/or other conclusions of the process.

Box 6. Good faith negotiations and consent

It is important to recognize that while the objective is always agreement, this does not mean agreement will always be secured. Like any dialogue between two parties, even in a good-faith consultation and consent process the two parties may still not agree. At the conclusion of a process, indigenous peoples and historically underserved local communities still may not consent to a particular project or activity. The project developer also may not agree with conditions or asks of the indigenous peoples and historically underserved local communities concerned. In either case, standard 4 does not endorse continued pursuit of agreement where such additional efforts are no longer welcome by the affected peoples.

Other stakeholders (e.g. other local communities, forest dwellers, local farmers) who may be affected by the project must also be consulted. The stakeholder engagement plan will need to define the steps to reach out to these individuals and groups in a manner commensurate with their defined interests. These processes, however, may be distinct and separate from those focused on affected indigenous peoples and historically underserved local communities (e.g. indigenous peoples and historically underserved local communities' traditional decision-making processes may differ from those of other local communities).
Understanding that effective and meaningful consultations require informed and participating indigenous peoples and historically underserved local communities, project developers should, to the extent possible, seek to provide technical and financial support to the indigenous peoples and historically underserved local communities concerned in order to increase the awareness of their rights and strengthen their participation in accordance with their own norms, values and customs and through representatives designated by them.

(xxix) Ensure participation of indigenous peoples and historically underserved local communities is gender-inclusive and tailored to needs of disadvantaged and vulnerable groups

Indigenous women are often dually disadvantaged due to their gender and their cultural identity. Their status and identity continually shift depending on the roles and occupations they hold. Indigenous women are often the most active agents of change, and they have their own economic and social interests and strengths.
Some common cultural barriers hinder the participation of disadvantaged and vulnerable groups such as women, households headed by women and young adults in community decision-

making. Women may be censored in community forums and their male relatives may talk on their behalf. Households headed by women and young adults, especially when unmarried or with no children, may be marginalized and their comments unwelcomed by the rest of the community. These cultural barriers, to be identified in the social and environmental assessment, have to be addressed in the design of mechanisms and instruments for consultations and participation. This must be done with care; sometimes, forcing the issue may pose risks to the very people whom participation is meant to help.

There are often subtle, albeit more time-consuming, ways to overcome such barriers without inducing conflict with local customs and that may help to engender participation. The participation of community subgroups, such as indigenous women, that might be excluded from customary decision-making may be sought through means such as women-only discussion groups, plays and music or cultural events or festivals. Consultation with indigenous women and their participation may require female professionals and technical staff to be hired. It is through such engagement that appropriate benefits and mitigation measures can be designed to meet the needs of women as well as men. For other excluded vulnerable groups such as the poor, separate consultations without higher-ranked groups present may be needed to obtain a full picture of their needs.

(xxx) Ensure timely access to information

Meaningful participation is predicated on access to timely, relevant information. IFAD's standards (and paragraph 13 of this standard in particular) require that project information is made available in a timely and ongoing manner, in an accessible place and in a form and language understandable to the affected people. Information that needs to be provided includes:

- The nature, size, pace, duration, reversibility and scope of the proposed project/activity;
- The rationale or purpose of the project/activity;
- The geographical areas that will be affected;
- A preliminary assessment of the likely economic, social, cultural and environmental impact, including potential risks and fair and equitable benefit-sharing, and any proposed mitigation measures/plans (including IPPs) (both draft and final versions of documents to be shared);
- FPIC implementation plans;
- Personnel likely to be involved in the execution of the proposed project/activity; and
- Procedures that the project or activity may entail.

Stakeholder engagement plans, screening reports and monitoring reports should also be disclosed.

In addition to disclosing complete documents, summaries in local languages of the assessment's key findings, benefits, mitigation measures, etc., may be needed to increase accessibility. For those projects likely to affect many illiterate people, pictorial depictions and oral representations can be used. Full and abbreviated versions of the IPP – in draft and updated forms – should be disclosed locally. Disclosure should be proactive, employing methods such as delivery of the IPP directly to rural townships and indigenous peoples and historically underserved local communities' organizations, posted on village communal walls, described in a village meeting or distributed as brochures to households.

(xxxi) Ensure access to a grievance redress mechanism

Paragraph 14 of this standard requires borrowers/recipients/partners to ensure that stakeholders who may be adversely affected can communicate their concerns about a project's social and environmental performance through various entry points, scaled to the nature of the activity and its potential impacts. This includes ensuring that an accessible, effective project-level grievance mechanism is available. The development and/or designation of the grievance

mechanism should be part of the full, effective and meaningful consultation and participation processes and should be specified in any negotiated agreements.
The project-level grievance mechanisms need to take into account indigenous peoples and historically underserved local communities' customary laws and dispute resolution processes. Traditional dispute mechanisms of affected indigenous peoples and historically underserved local communities should be used to the greatest extent possible. It may be necessary to evaluate the capacity of indigenous peoples and historically underserved local communities under national laws to denounce violations of their rights and secure remedies in domestic courts and administrative processes.

(xxxii) Undertaking an FPIC process

In IFAD-funded projects, the borrowing government (or grant recipient) is responsible for seeking and obtaining FPIC. FPIC is solicited through consultation and the participation of communities and local institutions at specific stages of the project cycle.
The requirement for FPIC processes is promoted across several IFAD policies.[21] IFAD's How-to-do note on seeking free, prior and informed consent in IFAD investment projects[22] provides detailed guidance on undertaking FPIC processes. IFAD requires FPIC processes be undertaken for two general scenarios:

- Investment projects that may have an impact on the land access and use rights of rural communities; and
- Projects targeting indigenous peoples and historically underserved local communities or rural areas that are home to indigenous and tribal peoples and ethnic minorities.

It should be noted that IFAD's FPIC requirements apply not just to indigenous peoples and historically underserved local communities but also to other local rural communities whose land access and use rights may be affected.
IFAD's FPIC How-to-do note contains an important table that indicates when FPIC is to be undertaken (table 5).

Table 5

Free, prior and informed consent requirement based on project typology and areas of intervention

	Project typology	*Project likely to affect land access and/or use rights of communities*	*Agricultural and rural development projects unlikely to affect land rights (agricultural technologies and production, value-chain development, social infrastructure)*	*Project supporting demand-driven services to individuals (rural finance, small and medium-sized enterprise development)*
Area of intervention	Rural areas without indigenous peoples and historically underserved local communities or minorities	YES	NO	NO

[21] IFAD, *Improving Access to Land and Tenure Security: Policy* (Rome: IFAD, 2008), https://www.ifad.org/en/document-detail/asset/39500436; IFAD, *Engagement with Indigenous Peoples: Policy* (Rome: IFAD, 2009), https://www.ifad.org/en/document-detail/asset/39432502; and IFAD, *Environment and Natural Resource Management: Policy* (Rome: IFAD, 2012), https://www.ifad.org/documents/38711624/39761608/enrm_e.pdf/dc466325-ba8d-4254-8c83-35e17fb62b88.
[22] See IFAD, *How to Do: Seeking Free, Prior and Informed Consent in IFAD Investment Projects* (Rome: IFAD, 2015), Annex 5: International Framework, https://www.ifad.org/en/web/knowledge/publication/asset/39181253.

Rural areas with some indigenous peoples and historically underserved local communities and minorities' communities	YES	On a case-by-case basis*	NO
Indigenous peoples and historically underserved local communities' territories or tribal areas	YES	YES	YES

* Depending on the potential impact of the project on local indigenous peoples and historically underserved local communities. The project target group may include some indigenous peoples and historically underserved local communities or it may not include indigenous peoples and historically underserved local communities but project activities may have an impact on land, territories and resources of indigenous peoples and historically underserved local communities living near the project area.

When the details of proposed project activities and target beneficiaries are known, the FPIC process should be undertaken during the design stage before finalization of the project design report. However, this is generally not the case for IFAD projects. For most projects, the specific activities, locations, sites and target beneficiaries are not fully identifiable at the design stage. In these cases, an FPIC implementation plan should be developed during the design stage to specify how FPIC will be sought during early implementation and before any investment is made. It is important to emphasize that, in all cases, no activities predicated on the granting of FPIC should be initiated until the outcomes of the FPIC process are validated and any required mitigation measures are in place.

The FPIC ow-to-do-it note[23] provides detailed guidance on how to undertake the FPIC process, including identifying key responsibilities and institutional capacity; identifying representative institutions of affected local communities; and consultation and participation processes, including documenting such processes and consent agreements. Those points are not reproduced here. The following provides a general overview.

The FPIC process should be launched as early as possible and the indigenous peoples and historically underserved local communities who may be affected by the project will have a central role in defining the process. The process should be supported by a facilitator who speaks the necessary languages, is aware of the project context and is culturally and gender-sensitive. If possible, the facilitator should be identified by the affected indigenous peoples and historically underserved local communities. Annex 3 of the FPIC How-to-do note includes a sample terms of reference for facilitators supporting FPIC processes.

It will also be helpful to involve any actors which are likely to be involved in implementing the FPIC process, such as local or national authorities.

Facilitators, in cooperation with the government and stakeholders, are responsible for ensuring, among other things, that the following key arrangements are part of the FPIC process:

- Full, accurate information regarding the project (e.g. potential benefits, potential risks and short- and/or long-term impacts,) is communicated in the most appropriate language and medium, ensuring that is easily understandable and accessible (innovative and creative forms of communication may be required).
- Information-sharing seeks to reach the greatest number of members of the affected indigenous community and is consistent with the community's mechanisms for information-sharing.
- A secure, culturally appropriate and trusted environment for discussions is provided.

[23] See footnote 18.

- Decision-making processes, timelines and languages for communicating are determined by the affected indigenous peoples and historically underserved local communities without interference.
- Customary laws and practices of the affected indigenous peoples and historically underserved local communities are respected.

The overall aim of the FPIC process with all stakeholders is to obtain a signed agreement witnessed by an independent entity agreed to by both parties, ensuring that the greatest number of community members are involved and represented, including potentially marginalized groups. The community's customs and norms for participation, decision-making and information-sharing are to be respected.

While the objective of the FPIC process is to reach a written agreement (consent) between the relevant parties, this does not mean that all FPIC processes will lead to the consent of and approval by the rights holders in question. At the core of FPIC is the right of the peoples concerned to choose to engage, negotiate and decide to grant or withhold consent, as well as the acknowledgement that under certain circumstances, it must be accepted that the project will not proceed and/or that engagement must be ceased if the affected peoples decide that they do not want to commence or continue with negotiations or if they decide to withhold their consent to the project. IFAD will thus exclude from the programme or project the activities for which agreement or consent still cannot be ascertained.

Paragraph 8: Indigenous peoples and historically underserved local communities plan and the FPIC implementation plan
If a project is likely to have an impact on land access and use rights of rural communities or affect indigenous peoples and historically underserved local communities, the borrower/recipient/partner must seek FPIC (as outlined in paragraph 6 of this standard) from the concerned communities; document the stakeholder engagement and consultation process; and prepare an IPP, which will include the requirements of the FPIC implementation plan. When an IPP is necessary, it must include a sociocultural and land-tenure assessment; the specific characteristics of each indigenous people; the strategy for working with indigenous peoples and historically underserved local communities; and the FPIC process. Where specific project activities or locations have not yet been determined, an indigenous peoples planning framework will be developed. The scope and scale of the plan or framework will be proportionate to the potential risks and impacts of the project. The IPP should be integrated into the design and implementation of the project. The IPP will identify potential risks and impacts and will outline risk avoidance and mitigation measures. It will also specify measures for provision of culturally appropriate benefits; continued consultation and participation processes; grievance procedures; monitoring and evaluation procedures; and a budget and financial plan for implementing agreed measures. Where screening indicates that indigenous peoples and historically underserved local communities are likely to be present in project areas but the specific project activities, subprojects and/or locations have not been fully defined, the borrower/recipient/partner prepares an indigenous peoples planning framework (IPPF).

On the basis of the environmental and social assessment, and with full, effective and meaningful participation of the affected indigenous peoples and historically underserved local communities, the borrower/recipient/partner prepares an IPP that sets out the measures through which the borrower/recipient/partner will ensure that (a) indigenous peoples and historically underserved local communities affected by the project receive culturally appropriate social and economic benefits; and (b) when potential adverse effects on indigenous peoples and historically underserved local communities are identified, those adverse effects are avoided, minimized, mitigated or compensated. The borrower/recipient/partner integrates the IPP into the project design.

When indigenous peoples and historically underserved local communities are the sole or the overwhelming majority of direct project beneficiaries, the elements of an IPP should be included in the overall project design and a separate IPP is not required. In such cases, the project design report includes a brief summary of how the project complies with the policy, in particular the IPP requirements.

As noted above under paragraph 6, the IPP includes the FPIC implementation plan.

The IPP provides the management planning framework for ensuring that identified impacts are appropriately addressed, culturally appropriate benefits are provided, participatory processes are followed and needed capacity support and institutional arrangements are in place. The IPP should have a level of detail proportional to the complexity of the nature and scale of the proposed project and its potential impacts on indigenous peoples and historically underserved local communities and their rights, lands, resources and territories. Enhancement and mitigation measures outlined in the IPP should reflect an appropriate response to the assessment's findings and adhere to all relevant requirements of standard 4. The IPP shall be reviewed periodically throughout the life of the project and modified when necessary with the meaningful participation of indigenous peoples and historically underserved local communities concerned. Annex I provides an outline of the minimum elements that need to be addressed in the IPP.

For many IFAD projects, the specific activities, locations, sites and specific target beneficiaries are not fully identifiable at the design stage. Where screening indicates that the areas of the forthcoming activities most likely include the presence of indigenous peoples and historically underserved local communities (or such presence cannot be fully determined until the activities

are defined), then the borrower/recipient/partner prepares an IPPF. The IPPF provides for the screening and review of these forthcoming project activities or subprojects in a manner consistent with this standard. The borrower/recipient/partner integrates the IPPF into the project design.

Paragraph 9: Culturally appropriate benefits
IFAD-funded projects shall ensure that affected indigenous peoples and historically underserved local communities are able to derive benefits from programming activities in a culturally appropriate and inclusive manner, giving full consideration to options preferred by the indigenous peoples and historically underserved local communities concerned. The provision of benefits is to take into account the institutions, rules and customs of affected indigenous peoples and historically underserved local communities and may occur on a collective basis, with mechanisms for effective distribution of benefits to all members of affected groups, as far as practical. Indigenous peoples and historically underserved local communities affected by project activities are to share equitably in benefits derived from any commercial development of indigenous peoples and historically underserved local communities' lands, territories or resources or from the use or development of indigenous peoples and historically underserved local communities' cultural heritage.

The IPP should detail the arrangements agreed to with the indigenous peoples and historically underserved local communities concerned regarding the equitable sharing of benefits to be derived by the project. This should be done in a manner that is culturally appropriate and inclusive and that does not impede land rights or equal access to basic services. Those arrangements should be evidenced in the written outcomes of the consultation and FPIC process undertaken.

Indigenous peoples and historically underserved local communities should be provided with full information about the scope of any potential income streams, services and benefits that the project may generate for all potential beneficiaries.

In determining what constitutes fair and equitable benefit-sharing – particularly where traditional knowledge, cultural heritage, lands, resources and territories are involved – indigenous peoples and historically underserved local communities should be treated not just as stakeholders, but appropriately as rights holders. Appropriate forms of benefits should be defined as part of the FPIC process.

When project or programme activities include the commercial development of indigenous peoples and historically underserved local communities' lands, territories and resources, the borrower/recipient/partner informs the affected people of their rights under national law and of the scope, nature and impacts of the potential use, enabling the indigenous peoples and historically underserved local communities to share equitably in the benefits from such commercial development or use.

Paragraph 10: Land tenure
Where appropriate, IFAD will ensure that provisions are made in project design and implementation to support the establishment of legal recognition of customary or traditional land tenure and management systems and collective rights used by project-affected indigenous people.

Certain project activities may not be successful or may lead to adverse impacts unless the rights of indigenous peoples and historically underserved local communities to traditional lands, territories and resources are officially recognized. For example, initiatives to support indigenous

peoples and historically underserved local communities land tenure or to develop resources on traditional lands may first require official recognition of legal rights.
Where the success and continuation of the project as a whole, or specific project activities, are contingent on establishing legally recognized rights to lands, resources or territories of the affected indigenous peoples and historically underserved local communities, the IPP should include activities that support achievement of legal recognition of indigenous peoples and historically underserved local communities' ownership, occupation or usage rights. The land-tenure assessment discussed in section 4 above should be integrated into the IPP.
Project developers must carefully evaluate whether a project could continue without undue harm if needed legal reforms or delimitation, demarcation and titling activities cannot take place within the relevant time period of the project. In such cases, the IPP should clearly address the potential consequences if only some of the activities take place within the project period (e.g. some progress but not final recognition of the land and territory rights). Activities to support legal recognition of indigenous rights should be taken with the consent of relevant authorities.
The *Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security*[24] promote secure tenure rights and equitable access to land, fisheries and forests as a means of eradicating hunger and poverty, supporting sustainable development and enhancing the environment. The guidelines are meant to benefit all people in all countries, although there is an emphasis on vulnerable and marginalized communities and indigenous peoples and historically underserved local communities. The guidelines serve as a reference and set out principles and internationally accepted standards for practices for the responsible governance of tenure.

Paragraph 11: Involuntary resettlement
No IFAD-supported project will result in the involuntary resettlement of indigenous people from their lands and/or territories.

Standard 4 reflects the emphasis in international law that only under narrow and exceptional circumstances should relocation of indigenous peoples and historically underserved local communities be considered**.** [25] Forcible removal is prohibited (banned *inter alia* under UNDRIP Art. 10),[26] and any physical relocation of indigenous peoples and historically underserved local communities concerned shall take place only on a voluntary basis with FPIC. Where there are potential risks of physical displacement, the requirements of Standard 7: Physical and economic resettlement also need to be addressed (without prejudice to the requirements of standard 4). During the screening and assessment process, project developers should identify whether physical relocation (temporary or permanent, full or partial) is a potential risk. The assessment should seek to identify project options and their potential impacts in order to avoid, and where avoidance is not possible, minimize and mitigate, impacts of physical relocation should the indigenous peoples and historically underserved local communities concerned provide their FPIC. The assessment should identify the precise scope and extent of impacts on all potentially affected people. A survey of potentially affected indigenous peoples and historically underserved local communities should be conducted, together with socio-economic analysis in order to determine eligibility for entitlements and gather baseline information for measuring

[24] See Food and Agriculture Organization of the United Nations, *Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security* (Rome: FAO, 2012), http://www.fao.org/3/i2801e/i2801e.pdf.
[25] Among others, ILO 107, art. 12, ILO 169, art. 16(2), UNDRIP, art. 10, and Committee on the Elimination of Racial Discrimination, General Recommendation XXIII.
[26] See footnote 6, above.

restoration of incomes and living standards. A resettlement action plan would be required. The guidance note on standard 7 provides further information.

Paragraph 12: Voluntary isolation
No IFAD-supported project will result in adverse impacts (including undesired contact) with indigenous peoples and historically underserved local communities living in voluntary isolation or in initial contact with non-indigenous groups. For projects that may affect indigenous peoples and historically underserved local communities living in voluntary isolation or in initial contact, measures will be required to ensure that the project does not result in any adverse impacts on their environment, health, cultural heritage, lands or territories.

Standard 4 requires respect for the right of uncontacted or voluntarily isolated indigenous peoples and historically underserved local communities to remain in isolation and to live freely in that condition according to their culture. Special attention is also required to respect the rights of indigenous peoples and historically underserved local communities in initial contact with non-indigenous society. Assessments need to identify whether the project's area of influence may include such peoples and whether project activities could lead to potential impacts and/or contact with them.

Indigenous peoples and historically underserved local communities in voluntary isolation are indigenous peoples and historically underserved local communities or segments of indigenous peoples and historically underserved local communities who do not maintain sustained contacts with the majority non-indigenous population, and who generally reject any type of contact with persons not part of their own people. They may also be peoples or segments of peoples previously contacted and who, after intermittent contact with the non-indigenous societies, have returned to a situation of isolation and break the relations of contact that they may have had with those societies. Indigenous peoples and historically underserved local communities in initial contact are indigenous peoples and historically underserved local communities or segments of indigenous peoples and historically underserved local communities who maintain intermittent or sporadic contact with the majority non-indigenous population, generally used in reference to peoples or segments of peoples who have initiated a process of contact recently. However, "initial" should not necessarily be understood as a temporal term, but as a reference to the scant extent of contact and interaction with the majority non-indigenous society. Indigenous peoples and historically underserved local communities in initial contact are peoples who were previously in voluntary isolation and who for some reason, voluntary or otherwise, came into contact with members of the surrounding population, and although they maintain a certain level of contact, they are not fully familiar with nor do they share the patterns and codes of social relations of the majority population.

Where projects may directly or indirectly impact uncontacted or voluntarily isolated indigenous peoples and historically underserved local communities and those in initial contact, their lands, resources, territories or their way of life, the IPP must include measures to (i) safeguard the collective and individual physical, territorial, and cultural integrity of these peoples, (ii) recognize, respect and protect their lands and territories, environment, health and culture, and (iii) prohibit and therefore avoid contact with voluntary isolated indigenous peoples and historically underserved local communities as a direct or indirect consequence of the project. Where relevant, the project should support countries to regularize the lands and territories of these peoples and establish buffer zones, to limit access to such territories, and to develop monitoring and emergency response measures, making avoidance of contact a priority.[27]

[27] For region-specific guidelines, see footnote 28, above

Indigenous peoples and historically underserved local communities in initial contact are indigenous peoples and historically underserved local communities or segments of indigenous peoples and historically underserved local communities who maintain intermittent or sporadic contact with the majority non-indigenous population, generally used in reference to peoples or segments of peoples who have initiated a process of contact recently. However, “initial” should not necessarily be understood as a temporal term, but as a reference to the scant extent of contact and interaction with the majority non-indigenous society.

Para. 13 Cultural heritage
If a project is likely to significantly affect cultural heritage that is material to the identity and/or cultural, ceremonial or spiritual aspects of indigenous peoples and historically underserved local communities, priority will be given to avoidance of such impacts. Where significant impacts are unavoidable, the borrowing country/grant recipient will seek the FPIC of affected indigenous peoples and historically underserved local communities and meet the requirements of Standard 3.

Standard 4, together with Standard 3, require that projects respect, protect, conserve and not take or appropriate the cultural, intellectual, religious and spiritual property of indigenous peoples and historically underserved local communities without their free, prior and informed consent. This can include indigenous peoples and historically underserved local communities traditional knowledge (see Box 7).

Box. 7. Traditional knowledge
Traditional knowledge refers to the knowledge, innovations and practices of indigenous and local communities around the world. Traditional knowledge is transmitted orally from generation to generation. It tends to be collectively owned and takes the form of stories, songs, folklore, proverbs, cultural values, beliefs, rituals, community laws, local language and agricultural practices, including the development of plant species and animal breeds. In the context of the Convention on Biological Diversity Art. 8(j), traditional knowledge is understood as the knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles relevant for the conservation and sustainable use of biodiversity.

Projects that may affect indigenous peoples and historically underserved local communities’ cultural heritage should be assessed in a manner consistent with the Akwé: Kon voluntary guidelines (see section on assessment above). In addition, project developers should adhere to the *Tkarihwaié:ri Code of Ethical Conduct on Respect for the Cultural and Intellectual Heritage of Indigenous and Local Communities Relevant for the Conservation and Sustainable Use of Biological Diversity*.[28] The code provides a collaborative framework aimed at the effective participation and approval of indigenous and local communities in activities, including research proposed, on their knowledge, territories and related resources. It proposes a set of ethical principles, special considerations and methods for working with indigenous peoples and historically underserved local communities.
If indigenous peoples and historically underserved local communities affected by project activities hold the location, characteristics or traditional use of cultural heritage in secret, measures should be put in place to maintain confidentiality. Where there are findings related to

[28] Convention on Biological Diversity, “The Tkarihwaié:ri Code of Ethical Conduct to Ensure Respect for the Cultural and Intellectual Heritage of Indigenous and Local Communities Relevant to the Conservation and Sustainable Use of Biological Diversity,” CBD, https://www.cbd.int/traditional/code.shtml.

the precise location of valuable or sacred cultural heritage or other areas of cultural and spiritual significance, non-disclosure is permitted to ensure against theft, illegal sale, unwanted intrusions and unconsented sharing of intellectual property, with proper justification.
In addition, it is important to respect indigenous peoples and historically underserved local communities' customary use of biological resources (also referred to as customary sustainable use), which is understood in the context of the Convention on Biological Diversity Art. 10(c) as the uses of biological resources in accordance with traditional cultural practices that are compatible with conservation or sustainable use requirements.

Paragraph 14: Information disclosure
The project team will disclose documentation of the consultation process, the FPIC implementation plan and the IPP/IPPF. Disclosure of required information will take place in a timely manner in a place accessible to key indigenous stakeholders, in a form and language understandable to them.

See guidance under paragraph 6.

Paragraph 15: Grievance mechanism
As outlined in section 1.8 of SECAP Volume 1, the borrower/recipient/partner will ensure that the project establishes a grievance mechanism that is culturally appropriate, available in local languages and is easily accessible to affected indigenous peoples and historically underserved local communities.

See guidance under paragraph 6.

JJ. 5. Monitoring project implementation

IFAD requires that key documents be submitted to IFAD, including the IPP, FPIC implementation plans, documented outcomes and agreement of FPIC processes.
The IPP will outline monitoring measures to ensure that the project's mitigation and management measures are being implemented. Monitoring is an iterative process throughout project implementation until the completion of all closure activities. IFAD will review IPP implementation at a minimum annually.
Monitoring and evaluation mechanisms will include arrangements for ongoing information disclosure, consultation and informed participation with the affected indigenous peoples and historically underserved local communities (both women and men) and for the implementation of any identified corrective actions.
Knowledgeable experts and indigenous peoples and historically underserved local communities affected by project activities should jointly monitor implementation throughout the full duration of the project cycle.
Project documentation should provide a detailed description of the format for monitoring, the obligation to report to the communities in a culturally appropriate manner and the timing of monitoring (e.g. annual, midterm, closure, when there are significant changes in implementation, etc.). Monitoring arrangements should be at a scale appropriate to the nature of the project and its associated social and environmental risks and impacts.
In order to ensure participation of indigenous peoples and historically underserved local communities in the monitoring process, the IPP should detail, at a minimum:

- The manner in which indigenous peoples and historically underserved local communities will participate in monitoring activities;
- Progress indicators and an estimated budget to ensure robust monitoring;
- The participatory selection and involvement of an independent expert
- Schedules for monitoring activities; and

- The mechanism for redress and corrective action.

KK. Annex I. Indicative outline of an indigenous peoples plan

A. Executive summary of the indigenous peoples plan

Concisely describes the critical facts, significant findings and recommended actions

B. Description of the project

General description of the project, the project area and components/activities that may lead to impacts on indigenous peoples and historically underserved local communities

C. Description of indigenous peoples and historically underserved local communities

A description of affected indigenous people(s) and their locations, including:

(i) Description of the community or communities constituting the affected peoples (e.g. names, ethnicities, dialects, estimated numbers, etc.);
(ii) Description of the resources, lands and territories to be affected and the affected peoples' connections/relationship with those resources, lands and territories; and
(iii) An identification of any vulnerable groups within the affected peoples (e.g. uncontacted and voluntarily isolated peoples, women and girls, the disabled and elderly, others).

D. Summary of substantive rights and legal framework

A description of the substantive rights of indigenous peoples and historically underserved local communities and the applicable legal framework, including:

(i) An analysis of applicable domestic and international laws affirming and protecting the rights of indigenous peoples and historically underserved local communities (include general assessment of government implementation of the same); and
(ii) Analysis as to whether the project involves activities that are contingent on establishing legally recognized rights to lands, resources or territories that indigenous peoples and historically underserved local communities have traditionally owned, occupied or otherwise used or acquired. Where such contingency exists (see sections of standard 4, paragraph 8), include:

(a) Identification of the steps and associated timetable for supporting legal recognition of such ownership, occupation or usage, with the support of the relevant authority. This should include the manner in which delimitation, demarcation and titling shall respect the customs, traditions, norms, values, land tenure systems and effective and meaningful participation of the affected peoples, with legal recognition granted to titles with the full, free prior and informed consent of the affected peoples; and

(b) List of the activities that are prohibited until the delimitation, demarcation and titling is completed.

E. Summary of social and environmental assessment and mitigation measures

(i) A summary of the findings and recommendations of the required prior social and environmental impact studies, specifically those related to indigenous peoples and historically underserved local communities, their rights, lands, territories, resources, traditional livelihoods and cultural heritage. This should include the manner in which the affected indigenous peoples and historically underserved local communities participated in such studies and their views on the participation mechanisms, the findings and recommendations.
(ii) Where potential risks and adverse impacts to indigenous peoples and historically underserved local communities, their lands, resources and territories are identified, the

plan should provide details and associated timelines for the planned measures to avoid, minimize, mitigate or compensate for these adverse effects. It should also identify special measures to promote and protect the rights and interests of the indigenous peoples and historically underserved local communities including compliance with the affected peoples' internal norms and customs.

F. Participation, consultation and FPIC processes

(i) A summary of results of the culturally appropriate consultation and FPIC processes undertaken with the affected peoples' which led to the indigenous peoples and historically underserved local communities' support for the project.
(ii) A description of the mechanisms to conduct iterative consultation and consent processes throughout implementation of the project. Identify particular project activities and circumstances that require consultation and FPIC.

G. Appropriate benefits

An identification of the measures to be taken to ensure that indigenous peoples and historically underserved local communities receive equitable social and economic benefits that are culturally appropriate, including a description of the consultation and consent processes that led to the determined benefit-sharing arrangements.

H. Capacity support

Description of measures to support social, legal and technical capabilities of indigenous peoples and historically underserved local communities' organizations in the project area to enable them to better represent the affected indigenous peoples and historically underserved local communities more effectively.

I. Grievance redress

A description of the procedures available to address grievances brought by the affected indigenous peoples and historically underserved local communities arising from project implementation, including the remedies available, how the grievance mechanisms take into account indigenous peoples and historically underserved local communities' customary laws and dispute resolution processes, as well as the effective capacity of indigenous peoples and historically underserved local communities under national laws to denounce violations and secure remedies for the same in domestic courts and administrative processes.

J. Monitoring, reporting and evaluation

(i) Mechanisms and benchmarks appropriate to the project for transparent, participatory joint monitoring (including independent experts), evaluating and reporting, including a description of how the affected indigenous peoples and historically underserved local communities are involved.
(ii) Define the mechanisms put in place to allow for periodic review and revision of the IPP in the event that new project circumstances warrant modifications developed through consultation and consent processes with the affected indigenous peoples and historically underserved local communities.

K. Institutional Arrangements

Describes institutional arrangement responsibilities and mechanisms for carrying out the measures contained in the IPP, including mechanisms for participation of affected indigenous peoples and historically underserved local communities. Describes role of

independent, impartial entities to audit and conduct social and environmental assessments, as required, and/or to conduct oversight of the project.

L. Budget and financing

An appropriately costed plan, with itemized budget sufficient to satisfactorily undertake the activities described.

Note: The IPP will be implemented as part of project implementation. However, in no case shall project activities that may adversely affect indigenous peoples and historically underserved local communities take place before the corresponding activities in the IPP are implemented. Where other project documents already develop and address issues listed in the above sections, citation to the relevant document(s) shall suffice.

For an IPPF, the above outline would be modified to include the procedures for screening, assessment and development of specific IPP(s) once the project components, subprojects and/or activities have been fully defined. The procedures would generally replace section E above; however, the IPPF would still seek to identify types of anticipated potential adverse social and environmental impacts.

Guidance Note 5: Labour and working conditions

LL. 1. Introduction

As outlined in its strategic framework, IFAD's overarching development goal is to invest in rural people to enable them to overcome poverty and achieve food security through remunerative, sustainable and resilient livelihoods.[1]

More than three quarters of the world's poor live in rural areas and many of them depend on agriculture to earn a living.[2] The majority of rural workers hold precarious and poorly remunerated jobs in the informal rural economy. Youth in particular face disadvantages in accessing productive and gainful jobs, due to their limited access to productive resources, including land and credit, and markets.

As IFAD invests in rural livelihoods, it works to improve working conditions and foster the application of labour standards in rural settings, as these are among the main factors that undermine the well-being and productive potential of rural populations. To ensure that no one is left behind, IFAD targets disadvantaged workers in its projects, particularly youth, women, people with disabilities and migrant workers.

IFAD's Standard 5: Labour and working conditions (standard 5) aims to ensure that IFAD investments to promote rural employment that respects the fundamental rights of workers. This guidance note provides operational guidelines for addressing the requirements of standard 5 throughout the IFAD programming cycle.

Section 2 provides key background information on addressing the standard 5 requirements during the screening, assessment and management-planning process. This includes an outline of key roles and responsibilities for both project delivery teams (PDTs) and the borrower/recipient/partner within the context of IFAD's Social, Environmental and Climate Assessment Procedures (SECAP).[3] It also provides necessary background information on the International Labour Organization (ILO) core labour standards and information on different categories of workers.

Section 3 provides an introduction and cross-referencing of requirements for each of the standard 5 risk screening questions. Section 4 provides guidance on each of the specific standard 5 requirements. The note concludes with a short section on relevant standard 5 monitoring issues (section 5). Annex I provides an outline of the labour assessment/management procedure.

[1] IFAD, *IFAD Strategic Framework 2016-2025: Enabling inclusive and sustainable rural transformation* (Rome: IFAD, 2016), https://www.ifad.org/en/strategic-framework.

[2] Food and Agriculture Organization of the United Nations, *FAO Work to Promote Decent Rural Employment* (Rome: FAO, 2017), http://www.fao.org/3/a-i7322e.pdf.

[3] IFAD, *Social, Environmental and Climate Assessment Procedures: volume I* (Rome: IFAD, 2020). [INSERT LINK WHEN AVAILABLE].

MM. 2. Key steps, roles and responsibilities and background

Table 1 provides a short overview of the key steps in the process for addressing the requirements of Standard 5: Labour and working conditions in SECAP.

Table 1

Quick overview of key steps for addressing requirements of Standard 5: Labour and working conditions

Screen potential risks

- Screen proposed projects using the SECAP screening checklist to identify potential adverse risks and impacts of the project on labour and working conditions. Such risks and impacts may relate to, inter alia, unsafe working conditions, violations of labour rights, use of forced labour and child labour, and labour risks associated with the use of contractors and primary suppliers.
- Categorize project risk (low/moderate/substantial/high).
- Develop a stakeholder engagement plan and start early consultation to identify options to avoid potential adverse risks and impacts and risks regarding labour and working conditions (substantial/high).

Assess potential risks and impacts

- For moderate-, substantial- and high-risk projects, undertake appropriately scaled environmental and social assessment to assess risks and impacts on labour and working conditions (see annex I of this guidance note for a labour assessment and management procedures template).
- Include review of relevant national employment and labour laws and regulations and identification of areas that require further attention and gap filling to ensure implementation of standard 5 requirements.
- Where significant labour risks are present, employ qualified and experienced social experts with direct knowledge of local conditions and national labour and employment regulations.

Mitigate, manage and monitor risks and impacts

- Apply the precautionary principle and mitigation hierarchy.*
- Develop and implement appropriately scaled labour-management procedures to ensure labour-management practices that meet standard 5 requirements are followed (see annex I).
- Monitor all management and mitigation measures.

***** The mitigation hierarchy is applied by (a) anticipating and avoiding risks and impacts; (b) where avoidance is not possible, minimizing or reducing risks and impacts; (c) once risks and impacts have been minimized or reduced, mitigating them; and (d) where residual adverse impacts remain, compensating for or offsetting them, where technically and financially feasible.

2.1 SECAP roles and responsibilities

The roles and responsibilities outlined in table 2 describe the major functions of IFAD PDT's and the borrower/recipient/partner in the SECAP process during project identification, preparation and implementation. [4]

[4] Further information is provided in section 1.3 of IFAD, *Social, Environmental and Climate Assessment Procedures: volume I* (Rome: IFAD, 2020). [INSERT LINK WHEN AVAILABLE].

Table 2

Roles and responsibilities of IFAD project delivery teams and the borrower/recipient/partner in the social, environmental and climate assessment procedures process

Project stage	*IFAD PDT*	*Borrower/recipient/partner*
Identification, reparation and development	• Overseeing application of SECAP processes, including gender mainstreaming. • Screening projects to determine if they trigger all safeguard standards, including whether a full or abbreviated ESIA is required. • In addition to the environmental and social screening and categorization process, a parallel exercise should be undertaken by PDTs to determine the exposure and sensitivity of the project objectives to climate-related risks, based on available information about historic climate-hazard occurrences, current climate trends and future climate-change scenarios. • Reviewing and assessing the ESIA terms of reference, the ESIA document/report and project-level plans, including the adequacy of the assessment of project impacts and the proposed measures to address issues to ensure they meet applicable safeguard standards, prior to project approval. • Approving project concept based on a determination that safeguard issues have been adequately addressed. If adverse environmental or social impacts outweigh the expected benefits, IFAD shall not support the project. • Disclosing of ESIA and project-level plans through the IFAD website.	• Providing accurate, reliable and timely information required in the SECAP screening checklist. • Designing, planning and preparing project concepts and proposals according to SECAP requirements. • The costs for preparing the (abbreviated) background studies (feasibility studies, ESIAs, RAF/RAP, etc.) will be financed by the borrower/recipient/partner. Upon a written request by the borrower/recipient/partner, studies and assessments may be financed through the Faster Implementation of Project Start-up instrument. For project-level assessments ((abbreviated) ESCMF, ESCMP, ESIA, RAF/RAP, FPIC plan, indigenous peoples plans, environment and social audit and/or ex post ESIA, as required) undertaken during project implementation, the associated costs will be included in the project cost, including the cost for ensuring meaningful community participation. • Overseeing the ESIA process, and preparation of project management plans resulting from application of the standards and requirements of SECAP. • Implementing all required consultations with project stakeholders, including informing affected communities and explaining the project to them; incorporating feedback from and changes agreed with them; and obtaining and documenting their free, prior and informed consent.
Implementation	• Reviewing and monitoring of implementation of financial, technical and project-level plans, including through project kick-off/launch workshops, supervision missions, midterm reviews, field visits, audits and follow-up visits as appropriate to the scale, nature and risks of the project. • Working with the borrower/recipient/partner to identify and plan for corrective measures that achieve the results and uphold the safeguard standards expected under each project in cases when a project review finds that the borrower/recipient/partner is not	• Executing project management plans and monitoring the effectiveness of risk mitigation measures; ensuring compliance with and adherence to all safeguards outlined in each of the plans, and undertaking corrective measures in cases where plans have not been executed satisfactorily or where negative or adverse impacts have arisen despite efforts to adhere to project plans. • Informing project-affected local authorities, other stakeholders and IFAD on project progress and on any unexpected and unintended events affecting those communities, in accordance with project-level plan requirements and the project's agreed-upon reporting schedule.

Project stage	*IFAD PDT*	*Borrower/recipient/partner*
	following project-level plans (i.e. any of the safeguard-related management plans required). If these measures do not succeed in correcting the deficiencies, IFAD may withhold payment or suspend or cancel the grant/loan, as appropriate. • Disclosing completed project evaluations and results through the IFAD website (following donor acceptance, and subject to exclusion of proprietary and personal information).	• Incorporating feedback from project-affected parties and providing and documenting the process to obtain their free, prior and informed consent to any changes in the project plan. • Producing a project completion report to document safeguard monitoring.

ESCMF = environmental, social and climate management framework; ESCMP = environmental, social and climate management plan; ESIA = environmental and social impact assessment; FPIC = free, prior and informed consent; PDT = project delivery team; RAF = resettlement action framework; RAP = resettlement action plan; SECAP = Social, Environmental and Climate Assessment Procedures

2.2 Objectives and requirements

The requirements set out in Standard 5: Labour and working conditions of SECAP are designed to achieve the following objectives:

- Promote direct action to foster decent rural employment;
- Promote, respect and realize fundamental principles and rights at work[5] through:
  - Preventing discrimination and promoting equal opportunity of workers;
  - Supporting freedom of association and the effective recognition of the right to collective bargaining; and
  - Preventing the use of child labour and forced labour;
- Protect and promote the safety and health of workers;
- Ensure projects comply with national employment and labour laws and international commitments; and
- Leave no one behind by protecting and supporting workers in disadvantaged and vulnerable situations, including a special focus, as appropriate, on women workers, young workers, migrant workers, workers in the informal economy and workers with disabilities.

The requirements contained in standard 5 seek to further these objectives and should be carefully reviewed in order to inform project screening and development.

2.2 Core labour standards

The requirements of standard 5 have been guided by a number of international conventions and instruments, including those of ILO and the United Nations. ILO's Governing Body has identified eight conventions as “fundamental,” covering four subjects that are considered fundamental principles and rights at work (often referred to as core labour standards). These conventions have been ratified by more of ILO’s 187 member states than any other conventions and are considered to have universal application.[6] They have become key benchmarks for national labour and employment law, for international financial institutions and other international

[5] International Labour Organization, “ILO Declaration on Fundamental Principles and Rights at Work.” International Labour Organization. https://www.ilo.org/declaration/lang--en/index.htm.

[6] As stated in the ILO Declaration on Fundamental Principles and Rights at Work (see footnote 5, above). The declaration commits Member States to respect and promote principles and rights related to the four core labour standards, regardless of having ratified the relevant conventions.

governance mechanisms, including numerous trade agreements. As such they are the accepted baseline for fair treatment in the workplace and a minimum starting point for addressing labour in development programming. They are listed in table 3.

Table 3

International Labour Organization fundamental principles and rights at work

ILO fundamental principles and rights at work	*ILO fundamental conventions*
(a) freedom of association and the effective recognition of the right to collective bargaining	1. Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C087 (154 ratifications) 2. Right to Organise and Collective Bargaining Convention, 1949 (No. 98), https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:::NO:12100:P12100_ILO_CODE:C098:NO#A11 (165 ratifications)
(b) the elimination of all forms of forced or compulsory labour	3. Forced Labour Convention, 1930 (No. 29), https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:::NO:12100:P12100_ILO_CODE:C029:NO (178 ratifications) 4. P029 – Protocol of 2014 to the Forced Labour Convention, 1930, https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:P029 5. Abolition of Forced Labour Convention, 1957 (No. 105), https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:::NO:12100:P12100_ILO_CODE:C105:NO (175 ratifications)
(c) the effective abolition of child labour	6. Minimum Age Convention, 1973 (No. 138), https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:::NO:12100:P12100_ILO_CODE:C138:NO (171 ratifications) 7. Worst Forms of Child Labour Convention, 1999 (No. 182), https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:::NO:12100:P12100_ILO_CODE:C182:NO (181 ratifications)
(d) the elimination of discrimination in respect of employment and occupation	8. Equal Remuneration Convention, 1951 (No. 100), https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:::NO:12100:P12100_ILO_CODE:C100:NO (173 ratifications) 9. Discrimination (Employment and Occupation) Convention, 1958 (No. 111), https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:::NO:12100:P12100_ILO_CODE:C111:NO (175 ratifications)

2.3 Categories of worker

As stated in the scope of application of standard 5, the requirements of the standard apply to all “project workers.” This term encompasses different types of employment arrangement and the standard 5 requirements should be applied in a relevant and proportionate manner to each category of worker. Project workers include full-time, part-time, temporary, seasonal and migrant workers. Types of worker include the following:

- ***Direct workers:*** workers directly engaged by the borrower/recipient/partner to work on a project site or to perform work essential to the project. The borrower/recipient/partner has a directly contracted employment relationship and specific control over the work, working conditions and treatment of the project worker. This may include persons employed or engaged by the borrower's/recipient's/partner's project implementation unit to carry out design and supervision, monitoring and evaluation, or community engagement in relation to the project. Where government civil servants are working directly in connection with the project, they will remain subject to the terms and conditions of their existing public-sector employment arrangements. Assessments of project risks and impacts should examine the consistency of such arrangements with the requirements of standard 5.
- ***Contracted/third-party workers:*** people employed or engaged through third parties (e.g. contractors, subcontractors, brokers, agents or intermediaries) to perform work or provide services essential to the project and where the third party exercises control over the work, working conditions and treatment of the project worker. The employment relationship is between the third party and the project worker, even if the project worker is working on an ongoing basis on project activities. Standard 5 includes additional requirements regarding the selection of contractors (paragraph 22).
- ***Primary supply workers:*** workers employed or engaged by a primary supplier[7] over whom a primary supplier exercises control for the work, working conditions and treatment of the person. Primary suppliers provide goods or materials directly to the project for its core functions on an ongoing basis. This means that second, third and further levels of the supply chain (sometimes referred to as tier 2 and tier 3 suppliers) are not covered by standard 5. Paragraphs 23 and 24 of standard 5 include the primary requirements that apply to primary supply workers.
- ***Community workers:*** people employed or engaged in providing community labour. Projects may include the use of community workers in a number of different circumstances, including where labour is provided by the community as a contribution to the project, or where projects are designed and conducted for the purpose of fostering community-driven development, providing a social safety net (e.g. food-for-work programmes).

Note on informal employment. More than half of the world's workforce is estimated to be trapped in the informal economy, which is economic activities by workers and economic units that are, in law or in practice, not covered or insufficiently covered by formal arrangements. These arrangements are typically marked by the denial of rights at work, the absence of sufficient opportunities for quality employment, inadequate social protection, a lack of social dialogue and low productivity, all of which constitute significant obstacles to the development of sustainable enterprises.

IFAD's standard 5 aims to apply to all categories of workers as outlined above. Of course, there are challenges in applying the standard 5 requirements where there may be a significant number of informal-sector workers and the absence of formal labour arrangements. However, application of standard 5 supports national efforts to bring the "grey economy" out of the shadows, to leave no one behind and to prevent further informalization of formal-sector jobs. This is the intention of ILO Recommendation No. 204, Transition from the Informal to the Formal Economy,[8] which provides strategies and practical guidance on policies and measures that can facilitate the transition from the informal to the formal economy.

[7] "Primary suppliers" are those suppliers who, on an ongoing basis, provide directly to the project goods or materials essential for the core functions of the project.

[8] International Labour Organization, "R204 – Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204)," ILO, https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R204.

NN. 3. Screening

The requirements of standard 5 should be considered and addressed in an integrated manner during the screening process, using the SECAP screening checklist to determine whether project activities may pose risks related to labour and working conditions. If moderate, substantial or high risks are identified during screening, then relevant standard 5 requirements need to be addressed in project design and implementation, including as part of the overall impact assessment and management, mitigation and monitoring activities.

Screening helps to determine whether risks associated with labour and working conditions will be a major project issue and, if so, what features of the project require further study and assessment. This process can be complex and therefore often requires the judgement of qualified and experienced social experts with direct knowledge of local conditions and national labour and employment regulations.

Table 4 provides some cross-referencing of SECAP labour and working conditions screening questions and sections of this guidance note.

Table 4

SECAP labour and working conditions screening questions* and standard 5 requirements

	Reference to key standard 5 requirements and sections of this guidance note
Would the project potentially:	
1. Operate in sectors or value chains that are characterized by working conditions that do not meet national labour laws or international commitments? *	Paras. 8-14
Note: this may include discriminatory practices, high gender inequality and the lack of equal opportunity, denial of freedom of association and collective bargaining, and labour migrants.	
2. Use or operate in a value chain where there have been reports of forced labour?	Paras. 15, 22-24
Note: Risks of forced labour may be increased for projects located in remote places or where the status of migrant workers is uncertain.	
3. Involve children (a) below the nationally defined minimum employment age (usually 15 years old) or (b) above the nationally defined minimum employment age but below the age of 18 years in supported activities or in value chains?	Paras. 16-18, 22-24
4. (a) operate in a sector, area or value chain where producers and other agricultural workers are typically exposed to significant occupational and safety risks and/or (b) promote or use technologies or practices that pose occupational safety and health risks for farmers, other rural workers or rural populations in general?	Paras. 19, 22-24
Note: Major occupational safety and health risks in agriculture include dangerous machinery and tools; hazardous chemicals; toxic or allergenic agents; carcinogenic substances or agents; parasitic diseases; transmissible animal diseases; confined spaces; ergonomic hazards; extreme temperatures; and contact with dangerous and poisonous animals. Psychosocial hazards may include violence and harassment.	

* Note: the requirements of standard 5 are interrelated and multiple requirements may apply to any one of the IFAD risk questions. However, to facilitate addressing the IFAD questions, key relevant standard 5 concepts, definitions and requirements are cross-referenced here.

OO. 4. Addressing labour and working conditions requirements in assessment and management planning

If screening indicates that there are risks associated with labour and working conditions related to the project, standard 5 is applicable to the project. A risk assessment of the relevant issues is required, either as part of the environmental and social assessment or as a stand-alone labour assessment. Annex I of this guidance note provides a general outline for a labour assessment and management procedures document.

Experienced experts may need to be engaged to assess particular labour risks in the project area (e.g. child labour, occupational safety and health, risks in the supply chain).

Table 5 provides a brief overview of key issues regarding a project's labour and working conditions and steps in addressing them.

Table 5

Key issues regarding a project's labour and working conditions and steps in addressing them

Employment promotion	Review project components for opportunities to create sustainable rural employment, especially for disadvantaged and vulnerable workers. Seek to optimize the employment effects of projects' activities on rural youth and women. Seek to avoid sectoral restructuring projects that may lead to job losses; where avoidance is not possible, ensure that good practices regarding retrenchment are followed (see para. 7).
Assess labour risks	Where SECAP screening identifies potential labour risks, assess risks and impacts, as relevant, regarding potential unsafe working conditions, violations of labour rights, use of forced labour and child labour, and labour risks associated with the use of contractors and primary suppliers. Use standard 5 labour assessment and management procedures (annex I) to facilitate labour risk assessment.
Respect labour rights and mitigate impacts	Ensure written labour-management procedures are developed and shared with project workers. Labour-management procedures set out the way in which labour issues will be managed, in accordance with the requirements of national law, collective agreements and standard 5 requirements. The procedures address inter alia: • Terms and conditions of employment; • All identified labour risks; • Policies and procedures to mitigate risks relating to occupational health and safety, labour rights, forced labour and child labour; • Responsibilities and training; and • Contractor and primary-supplier management.
Workplace grievance mechanism	Ensure availability of workplace grievance mechanisms to receive and address in a timely fashion specific concerns of workers about employment-related conditions and issues.

These elements should be considered during the project's environmental and social assessment process. The assessment should also evaluate whether appropriate labour-management procedures exist to ensure that standard 5 requirements will be applied. This would involve a review of national labour and employment regulations and labour-management procedures of the borrower/recipient/partner. Key aspects of national labour legislation regarding terms and conditions or work and occupational safety and health should be reviewed, including how they apply to different categories of workers.[9]

[9] ILO maintains relevant databases regarding these topics, including the Information System on International Labour Standards (NORMLEX: https://www.ilo.org/dyn/normlex/en), which includes information on national labour laws and regulations and provides country profiles.

Annex I of this guidance note provides an indicative outline for labour assessment and management procedures. To the extent that provisions of national employment and labour law satisfy the requirements of standard 5, the borrower/recipient/partner will indicate the relevant laws and regulations applicable to the project. Where there are material gaps in national regulations compared with the standard 5 requirements and/or where there are significant labour risks associated with the project, a project-specific labour assessment and management procedures document should be developed for the project. Annex I provides further detail.

4.1 Guidance on requirements

Standard 5 stipulates a range of requirements that need to be adhered to in IFAD projects that involve project workers. The specific requirements from standard 5 are first presented (in boxes) followed by related guidance. The paragraph numbering ("paragraph XX") corresponds to the numbered standard 5 requirements in SECAP.[10]

It must be emphasized that the following requirements are to be applied in a proportional manner based on the nature of the project, its specific activities, the project's associated social and environmental risks and impacts, and the type of contractual relationships with workers engaged in relation to the project. This, for example, may be the case with community workers (see below).

Note on community workers: Given the nature and objectives of projects involving community labour, the application of all requirements of standard 5 may not be appropriate. Nevertheless, in all such circumstances, the borrower/recipient/partner will require measures to be implemented to ascertain whether such labour is or will be provided on a voluntary basis as an outcome of individual or community agreement. Work is on a voluntary basis when it is done with the free and informed consent of the worker. To assess the authenticity of free and informed consent, it is necessary to ensure that no external constraint or indirect coercion has been applied, either by an act of the authorities or by an employer's practice. It is good practice to document the agreement that is reached with community workers, recording the terms on which such labour will be provided. This includes details of what has been agreed, the way in which such agreement was reached, and how the community workers are represented.

The application of standard 5 to such projects is designed to address the relevant risks and impacts in a proportional manner, tailored to the specific context, objectives and design of the project. For example, where the objective of the project is the construction of community infrastructure for the benefit of an identified community, with labour being provided directly by members of that community, standard 5 requirements relating to occupational safety and health (OSH) and child and forced labour may be of particular relevance. While the community may be contributing its labour, it would be important to check the safety of the working environment, the age of community workers and the terms on which labour is being mobilized.

Paragraph 6: Employment promotion
As part of project design, IFAD should seek to promote the following: • Creation of sustainable employment and improved opportunities, especially for disadvantaged and vulnerable workers; • Optimization of the potential of agricultural and value chain development, including natural resources management, to create more and better employment opportunities for the poor, especially in rural areas; • Due consideration to the importance of using technologies, practices and models that generate more and better employment opportunities, both directly and indirectly;

[10] See footnote 3, above.

- For projects involving subcontracting, the subcontracting to local entrepreneurs (to the extent possible) – particularly to rural women and youth – to maximize employment creation;
- Optimization of the employment effects of projects' activities on rural youth and women in particular, and direct efforts to engage and empower them with specific targets for youth and women established in all projects;
- Explicit consideration of employment-related capacities for projects involving capacity development and support to the enabling environment (e.g. policy and regulatory frameworks) for agricultural and rural development;
- Transition of workers and enterprises from informal to formal economy and prevention of further informalization of formal sector employment; and
- Systematic ex ante assessments of potential impacts of projects with a high risk of sectoral restructuring (e.g. shifts to intensive production technologies that carry a significant risk of destroying existing jobs and/or threatening existing livelihoods) and defined corresponding mitigation strategies.

The objectives outlined in paragraph 7 go to the heart of IFAD's efforts to enable rural people to overcome poverty and achieve food security through remunerative, sustainable and resilient livelihoods. Many of these objectives reflect IFAD's mainstreaming themes and targeting commitments.[11]

Employment promotion projects should be designed to promote decent rural employment that (i) respects the ILO core labour standards; (ii) provides an adequate living income; (iii) provides an adequate degree of employment security and stability; (iv) adopts sector-specific minimum OSH measures; (v) avoids excessive working hours and allows sufficient time for rest; and (vi) promotes access to adapted technical and vocational training.

Employment promotion projects should also aim to be gender transformative and youth sensitive (see chapter 2 of SECAP Volume 1 on mainstreaming priorities). To optimize project employment effects for women, for example, the project should seek opportunities to expand women's access to and control of productive assets and benefits, strengthen women's decision-making roles and rebalance women's workloads. Projects should also draw on the country strategic opportunity programme to promote opportunities for rural youth employment, including strengthening youth knowledge and skills and access to assets and services. Application of the requirements of standard 5 to all workers in IFAD-supported projects also supports national efforts to transition workers from the informal to formal economy.

(xxxiii) Sectoral restructuring

IFAD projects aim to promote and expand rural employment. Some projects, however, may involve sectoral restructuring that could lead to job losses. Paragraph 7 requires that the potential impacts of such projects be assessed before actions that may lead to job losses are undertaken. The assessment should ensure that good practices are adhered to, including the following:

- Analyse alternatives to avoid retrenchment. Where no viable alternatives are identified, develop a restructuring plan to reduce and mitigate adverse impacts of retrenchment on workers.
- Ensure that any collective dismissals are carried out in accordance with the provisions of national law and applicable collective agreements.

[11] See IFAD, *Social, Environmental and Climate Assessment Procedures: volume I* (Rome: IFAD, 2020), chapter 2, [INSERT LINK WHEN AVAILABLE]

- Consult with trade unions or other workplace representatives over the proposed redundancies on measures to avoid or reduce redundancies, the method of selection and mitigating the effects, integrating outcomes into the final restructuring plan.
- Ensure that the criteria for selection for redundancy are objective, fair and transparent and aim to be gender neutral. Implement a procedure that provides individuals with the right to challenge their selection.
- Ensure that all outstanding back pay, social security benefits and pension contributions and benefits are paid to those affected by retrenchment in a timely manner.
- Notify IFAD at least one month in advance of the implementation of all redundancies. In the case of large-scale redundancies, provide IFAD with a copy of the restructuring plan in advance of any dismissals.

Paragraphs 7 & 8: Terms and conditions of employment
Ensure that applicable written labour-management procedures are in place that set out the conditions in which workers will be employed or engaged and managed, in accordance with the standards herein and national law.[12] Workers are provided with clear and understandable documentation of employment terms and conditions, including their rights under national law related to hours of work, wages, overtime, compensation and benefits, and those arising from this standard.[13] Workers engaged by the project are provided regular and timely payment of wages; adequate periods of rest, holiday, sick, maternity, paternity and family leave; and written notice of termination and severance payments, as required under national laws and the labour-management procedures.

Labour-management procedures set out the way in which labour issues will be managed, in accordance with the requirements of national law, collective agreements and standard 5 requirements. The procedures facilitate planning for the project and help identify the resources necessary to address the labour issues associated with the project.
The labour-management procedures need to be appropriate to the size, locations and workforce of project activities. To the extent that provisions of national law satisfy the requirements of standard 5, these would be utilized and the borrower/recipient/partner would not need to duplicate such provisions in additional project-specific labour-management procedures. In other cases, particularly where national employment law is not as developed, project-specific labour-management procedures serve as an important tool to managing the workforce in accordance with standard 5.

Box 1. Content of terms and conditions
Information provided to workers at the start of employment is normally covered by relevant provisions of national law. Documents and contracts should include information on the following, as appropriate: • Worker's name, title of the position and brief description; • Place of work;

[12] The requirements, whether in SECAP or in national law, that are the most protective of workers shall apply unless the application of these requirements would violate national law. For project workers who are employed or engaged by the United Nations and its specialized agencies, conditions of employment are governed by the respective entity's internal rules, in accordance with the relevant provisions of the Convention on the Privileges and Immunities of the United Nations (https://treaties.un.org/doc/Treaties/1946/12/19461214%2010-17%20PM/Ch_III_1p.pdf).
[13] The policies and processes shall be appropriate to the size, locations and workforce of project activities.

- Start date of employment and, if not permanent, duration of contract;
- Wages and remuneration (including the form and frequency of pay);
- Benefits, pension and other welfare arrangements applicable to the worker;
- Working hours, rest breaks, leave entitlements and other related matters;
- Provisions regarding housing, accommodation, food and payment required, if any;
- Overtime arrangements, including conditions for overtime and compensation;
- Leave entitlements (such as for illness, parental leave, family leave or holiday);
- Procedures for termination of the employment contract, including notice requirements and severance;
- Applicable disciplinary procedures;
- Details of grievance procedures; and
- Any collective bargaining arrangements that apply to the worker.

The procedures are reviewed and updated as needed during the preparation and implementation of the project. The procedures may be prepared as a stand-alone document (see annex I) or form part of other environmental and social assessment and management documents.

Terms and conditions of employment set out the rights under national labour and employment law and any applicable collective agreements with respect to working conditions. These terms and conditions are often stipulated in an enterprise's human-resources policies (including handbooks and internal guidelines), employment contracts and collective agreements with workers. Terms and conditions should be reviewed during the project's environmental and social impact assessment and monitored through the labour-management procedures.

Documentation should be appropriate and relevant to the length and nature of the employment or engagement. For example, a public notice of the job to be done, the number of hours, pay and other key terms and working conditions may be adequate provided copies of such information are available at the request of the project workers.

For longer-term employment, the material terms of the employment relationship should be documented in more detail, and a copy of the documentation (for example, the signed contract) should be provided to the project worker. In many countries, individual contracts are a legal requirement and need to reflect national labour, employment and social protection laws.

Where written contracts are not a statutory requirement, IFAD requires that project-supported employers provide a minimum level of documented information to the employee on the terms and conditions of their employment. This information should cover the areas, where relevant, indicated in box 1. The terms and conditions should be set out in the project labour-management procedures.

Employers should ensure that workers are familiar with and understand their terms and conditions of employment and any benefits. Any material changes to the terms and conditions of employment must be consistent with national law.

Information on employment terms and conditions should be provided at the beginning of the working relationship and when any material changes to the terms or conditions of employment or engagement occur. The terms and conditions need to be clear and understandable and provided in the language(s) spoken by the workforce; this is particularly important in workplaces that have large numbers of migrant workers. Varying levels of literacy among the workforce should be considered; oral communication and explanation of working conditions and terms of

employment are important where project workers do not read or have difficulties understanding the documentation.
Project workers should receive written notice of termination of employment and details of severance payments in a timely manner, as required by national law or human-resources policies. Terminations should be carried out in a non-discriminatory manner and, when applicable, after consultation with workers or their trade union. All wages and earned benefits should be paid. Where national law mandates the transfer of certain payments to specific third parties for the benefit of the worker (for example, government agencies or institutions such as a pension-fund administration or health funds), the worker is provided with written evidence of such payment.

Paragraphs 9 & 10: Non-discrimination and equal opportunity
Decisions relating to any aspect of the employment relationship, including recruitment, hiring and treatment of workers, are made based on the principles of non-discrimination, equal opportunity and fair treatment, and not on the basis of personal characteristics unrelated to inherent job requirements. Appropriate measures should be in place to prevent harassment, intimidation and exploitation, and to protect disadvantaged and vulnerable workers, including but not limited to women, children of working age, migrants and persons with disabilities.[14]

(xxxiv) Discrimination and equal opportunity

Discrimination involves treating people differently on the basis of a personal characteristic that is unrelated to their ability to do the job. Prohibited grounds of discrimination typically include gender, race, nationality, political opinion, affiliation to a union, ethnic, social or indigenous origin, religion or belief, marital or family status, disability, age, sexual orientation or gender identity. Non-discrimination measures should apply to all workers.
Discrimination can occur in the workplace in various ways. For example, recruitment of project workers may impose requirements that are not necessary for a job but may result in excluding a specific group. It can relate to decisions on how much to pay a project worker, for example, a female or migrant project worker. Discrimination can also occur in training and development, where selection may be based on criteria that are discriminatory (e.g. gender). It can relate to termination of employment, where a specific group may be disproportionately affected, for example, based on considerations relating to age or gender. Finally, it can arise with respect to inappropriate treatment or harassment of project workers related, for example, to gender, age, disability, ethnicity or religion.
Equal opportunity is the principle of basing all employment decisions, such as hiring and promotion, on the ability of a person to perform the work, without regard to personal characteristics that are unrelated to the inherent work requirements (understood as genuine occupational qualifications that are necessary to perform the work). Discrimination impairs or nullifies equality of opportunity or treatment in employment.
The extent to which national law supports implementation in the principles of equal opportunity and fair treatment is assessed by the borrower/recipient/partner in the project's labour-management procedures. This assessment will identify measures that support equal opportunities for women and men, with emphasis on equal criteria for selection, remuneration and promotion and equal application of these criteria. If migrant workers are engaged by the

[14] IFAD, *IFAD Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse* (Rome: IFAD, 2018), https://www.ifad.org/en/document-detail/asset/40738506.

project, the borrower/recipient/partner implements appropriate measures to prevent any discriminatory treatment of them.

(xxxv) Persons with disabilities

The borrower/recipient/partner will consider, to the extent technically and financially feasible, reasonable measures to adapt the workplace in relation to project workers with disabilities. Measures that address working conditions, accessibility of the built environment and communication of information for project workers with disabilities include, for example, the provision of wheelchair ramps or elevators and alternative formats of communication, such as large print, Braille, accessible digital formats or audio tape. Specific project measures are included in the labour-management procedures. It is important to make information about the measures available to disabled workers.
People with defined disabilities may require reasonable accommodations.[15] When considering changes to physical aspects of the workplace, the extent and cost of such changes are important factors in determining the suitability and reasonableness of proposed measures. Such modifications are made when they are necessary and appropriate to permit disabled workers to operate in the workplace. Appropriate expertise may help to identify measures that minimize cost or disruption while still meeting the objectives of access or protection.

(xxxvi) Measures to address vulnerabilities and to prevent harassment, intimidation, and exploitation

Where allowed by national law, the borrower/recipient/partner may implement specific measures that provide for preferential treatment of individuals or groups of project workers who have certain vulnerabilities or have been the subject of prior discrimination or disadvantage. Such measures could include training, management schemes, targeted outreach for recruitment or financial assistance for specific individuals or groups. These and other measures should not be deemed as discrimination (see box 2). Such measures may be necessary only for specific periods of time, depending on the worker's circumstances and the nature of the vulnerability.

Box 2. Some exceptions to non-discrimination requirements

- Distinctions based on the inherent requirements of the particular job or task are permissible, although this exception should be applied narrowly. For instance, an employer may not be able to hire a worker with a disability if this would lead to a real risk to the health or safety of the worker (or others) and it is not reasonably possible for the employer to make an adjustment to the workplace to enable the worker to perform the job safely.
- Measures to address specific needs of certain workers may be permissible under international law (such as maternity protection for women) or under national laws designed to meet the needs of persons who are generally recognized to require special protection or assistance (such as preferential treatment of women in hiring in order to remedy the effects of past discrimination).
- In some countries there is legislation that prohibits women from doing certain types of work (such as heavy lifting, hazardous work or night work). However, employers should not use this as a reason to impose other "protective" measures for women that limit their access to jobs and professional development.

[15] Article 2 of the United Nations Convention on the Rights of Persons with Disabilities (https://www.un.org/development/desa/disabilities/convention-on-the-rights-of-persons-with-disabilities.html) defines reasonable accommodations as "[n]ecessary and appropriate modification and adjustments not imposing a disproportionate or undue burden, where needed in a particular case, to ensure to persons with disabilities the enjoyment or exercise on an equal basis with others of all human rights and fundamental freedoms."

Harassment should not be tolerated in the workplace. It is often based on prohibited grounds for discrimination and may include sexual harassment, bullying, intimidation or exploitation. Even if senior management is not directly involved in harassment, an employer has primary responsibility for providing a safe and healthy work environment. Examples of harassment include:

- Telling insulting jokes about particular racial groups;
- Sending explicit or sexually suggestive emails or text messages;
- Displaying racially offensive or pornographic posters or material on computers; and
- Making derogatory comments or taunts about someone's race.

Sexual harassment includes any unwelcome sexual advance, request for sexual favour or other verbal, non-verbal or physical conduct of a sexual nature that unreasonably interferes with work, alters or is made a condition of employment, or creates an intimidating, hostile or offensive work environment. It is an extremely serious issue that is often under-reported but should not be ignored or underestimated.[16]

IFAD should ensure that contracts with project-employers, contractors and suppliers include clear provisions regarding non-discrimination and prevention of sexual harassment and sexual abuse.[17] Employer policies and/or labour-management procedures should ensure that the following:

- Non-discrimination and equal opportunity policies/provisions explicitly prevent harassment, intimidation and bullying in the workplace. These policies need to be clearly communicated and accessible to management, supervisors and workers. Managers and supervisors should be trained on how to apply the policies consistently.
- Workplaces/sites are monitored to identify and quickly address any form of harassment.
- Worker grievance mechanisms (see paragraphs 20 and 21 below) should be sufficiently discreet to allow employees to voice concerns confidentially, and adapted to effectively deal with received complaints of sexual harassment. It is also good practice to have both a male and female staff member available for receiving and processing grievances so that employees can choose who they would be most comfortable speaking to.

Paragraphs 11-13: Workers' organizations
Promote freedom of association and the right to collective bargaining, and denounce any violation of it. Promotion here refers to the active support of opportunities for rural workers to join groups, producers' associations or rural workers' organizations. In particular, producers' organizations, contract farming groups, out-growers' associations and other informal groups represent important vehicles to enable rural workers to form representative organizations. Consider opportunities for empowering rural youth and women and other disadvantaged workers to join such organizations or organize in specific groups. Workers who participate, or seek to participate, in workers' organizations and collective bargaining, do so without interference, are not discriminated or retaliated against, and are provided with information needed for meaningful negotiation in a timely manner. Where national law restricts workers' organizations, the responsible party shall not restrict the relevant workers from developing alternative mechanisms to express their grievances and protect their rights regarding working conditions and terms of employment.

[16] Any incidences of sexual harassment or sexual exploitation and abuse involving IFAD personnel, including direct contractors, are to be reported immediately to IFAD's Ethics Office at ethicsoffice@ifad.org or through the hotline at +39-0605459-2525.

[17] See footnote 13, above.

A number of ILO conventions and other international agreements recognize and protect the rights of workers to form unions or other workers' organizations of their own choosing and to bargain collectively with their employers. While many countries recognize these rights in national legislation, others restrict them.[18]

A workers' organization is any organization of workers for the purpose of furthering and defending their interests, in particular with regard to working conditions and terms of employment. Workers' organizations can be called by different terms in different countries, for example, trade unions, labour unions or workers' associations. They are usually formed and organized by workers and should operate without outside control or interference. Workers' organizations should be representative of the workforce and operate pursuant to the principles of fair and reasonable representation of workers and their interests in the context of the project.

Collective bargaining consists of discussions and negotiations among employers, employers' organizations and workers' organizations for the purpose of determining working conditions and terms of employment by joint agreement. It also includes instructions on the implementation and administration of any agreements that may result from collective bargaining and the resolution of issues and grievances that arise in the employment relationship with respect to workers represented by the workers' organization. Collective bargaining can take place in different ways, depending on the country. Many countries have multilevel bargaining systems, which may include company, sectoral and national levels.

Where national law recognizes the worker's rights to form and to join workers' organizations of their choosing, project workers should not be discouraged from forming or joining (or attempting to form or join) such organizations, nor discriminated or retaliated against for doing so. Examples of discrimination or retaliation against workers who participate, or seek to participate, in workers' organizations and collective bargaining or alternative mechanisms include an employer's refusal to hire project workers who have been members or leaders of workers' organizations at other firms (for reasons unrelated to qualifications or job performance), dismissing, demoting or reassigning such project workers or outsourcing or modifying the delivery of work in response to worker organizational activities.

Where workers' freedom of association and/or collective bargaining are prohibited or restricted under national law, the responsible parties should engage with workers to address issues relating to their working conditions and terms of employment. Responsible parties should not restrict workers from developing alternative mechanisms to express their grievances and protect their rights regarding working conditions and terms of employment. This may include recognizing worker committees and allowing workers to choose their own representatives for dialogue and negotiation on terms and conditions of employment in a manner that does not contravene national law. Responsible parties should not seek to influence or control these alternative mechanisms and should not discriminate or retaliate against workers who participate, or seek to participate, in such workers' organizations and collective bargaining or alternative mechanisms.

[18] For example, see International Trade Union Confederation, "2020 ITUC Global Rights Index." ITUC. https://www.ituc-csi.org/ituc-global-rights-index-2020.

Paragraph 14: Forced labour
Forced labour, which consists of any work or service not voluntarily[19] performed that is exacted from an individual under threat of force or penalty, will not be used in connection with project.[20] This prohibition covers any kind of involuntary or compulsory labour, such as indentured labour, bonded labour or similar labour-contracting arrangements. No trafficked persons shall be employed in connection with the project activities. Where cases of forced labour are identified, immediate steps shall be taken to correct and remedy them.

Where there are risks of forced labour or trafficking of persons, this is assessed as part of the environmental and social assessment, and possible measures to address such risks should be included in the labour-management procedures.

Forced labour is defined quite broadly and often used alongside or interchangeably with other terms such as human trafficking and modern slavery. Forced labour is work exacted under the threat of penalty and for which the person has not offered himself or herself voluntarily. Forced labour can involve practices such as threats of dismissal or physical violence, the withholding of identity documents or wages, threats to denounce workers to immigration authorities if their status is illegal, or entangling workers in fraudulent debt.

Human trafficking, or "trafficking in persons," can lead to forced labour. It is understood as the recruitment, transportation, transfer, harbouring or receipt of people by means of a threat or use of force or other forms of coercion, abduction, fraud, deception, abuse of power, or of a position of vulnerability, or the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.

Modern slavery is an umbrella term that covers forced labour, human trafficking, slavery and servitude. It is estimated that more than 40 million people, mostly women, are living in situations of modern slavery in the world today, an estimated 24.9 million of whom are believed to be in conditions of forced labour, including 16 million people in the private sector. Modern slavery disproportionately impacts women, who are thought to make up 71 per cent of all modern slavery victims.[21]

The risk of forced labour may be higher for certain types of projects and categories of project worker. This could be the case, for example, where projects are located in remote places or the status of migrant workers is uncertain.

A risk assessment is the first step in detecting and preventing forced labour in the supply chain. This should pay particular attention to high-risk countries and sectors where forced labour is known to occur.[22]

IFAD is to be informed promptly of any identified cases of forced labour in IFAD-supported project activities. IFAD will engage with borrowers/Recipients/Partners to ensure prompt remedy of such cases.

[19] Work is on a voluntary basis when it is done with the free and informed consent of a worker. Such consent must exist throughout the employment relationship and the worker must have the possibility to revoke freely given consent. In particular, there can be no "voluntary offer" under threat or other circumstances of restriction or deceit. To assess the authenticity of a free and informed consent, it is necessary to ensure that no external constraint or indirect coercion has been carried out, either by an act of the authorities or by an employer's practice.

[20] See International Labour Organization, "CO29 – Forced Labour Convention, 1930 (No.29)." ILO, https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID,P12100_HISTORICAL:312174,N:NO; and International Labour Organization, "PO29 – Protocol of 2014 to the Forced Labour Convention, 1930." ILO. https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:3174672:NO.

[21] CDC Group, International Finance Corporation, European Bank for Reconstruction and Development and UK Department for International Development, *Managing Risks Associated with Modern Slavery: A Good Practice Note for the Private Sector* (Washington, D.C.: International Finance Corporation, 2018), p. 15, https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/publications_gpn_modernslavery.

[22] See, for example, United States Department of Labor, "List of Goods Produced by Child or Forced Labor." US Department lf Labor, Bureau of International Labor Affairs. https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods.

Forced labour can take many different forms, including the following:

- Coercion in employment leading to forced labour can include withholding, delay or non-payment of wages; the retention of passports or other identity documents; threats to denounce a worker to the authorities; threats of dismissal or other penalty to force workers to work overtime; locking in workers at the workplace or accommodation.
- Migrant workers are vulnerable to exploitation, particularly if they have no valid work permit or employment contract or are in breach of the terms of their visa. Often migrant workers are hired through a recruitment agent, who may use the coercive practices described above. If trafficked workers are charged recruitment fees this may result in debt bondage.
- Debt bondage can arise where a worker takes a loan or wage advance from an employer or labour broker so that they can pay recruitment and processing fees. The size of the loan means that the worker is unable to pay off the loan and is effectively trapped.
- Prison labour, where a prisoner is made to work for the benefit of a private company without his or her voluntary consent. Prisoners' conditions of employment (especially wages, social security and health and safety) should be, as far as possible, the same as those enjoyed by non-prisoners carrying out similar work.

Box 3. Steps to avoid use of forced labour

- Ensure workers are paid their wages in full and on time.
- Take steps to ensure that all work is carried out voluntarily.
- Seek to ensure that no fees are charged to workers either directly, by recruitment agencies or by the client (including for travel or accommodation), avoiding significant debt that can only be repaid by continued employment with the same employer.
- Use only legitimate and reputable recruitment and employment agencies and put due diligence procedures in place to check their practices and policies before doing business with them and on an ongoing basis.
- Ensure that workers retain possession of their original passports, visas and other identification documents at all times. Employers should provide workers with individual secure storage facilities for their documents.
- Ensure that workers are free to leave the worksite and accommodation, subject only to appropriate security or logistical restrictions where necessary.
- Ensure that any non-cash benefits (such as accommodation) are valued appropriately and do not impose a substantial financial burden on workers.
- Do not use prison labour without guarantees that it is voluntary (for example, formal written consent from the prisoner) and ensure that prison labourers are paid and treated the same as non-prison workers.
- Ensure that overtime is within the limits imposed by national legislation and is not imposed by using threats, including the threat of dismissal.

A range of measures should be taken to avoid the use of forced labour in IFAD-supported projects (see box 3). Where cases of forced labour are identified, immediate steps must be taken to correct and remedy them. Any cases of forced labour discovered in the project's workforce should be referred to relevant government authorities and support services, as appropriate, to be addressed in accordance with national law. If national law is inadequate to effectively regulate and implement prohibitions against forced labour, the labour-management

procedures (see annex I) set out measures to address incidents of forced labour and remedy the situation.

Paragraphs 15-17: Child labour
IFAD is a founding partner of the International Partnership for Cooperation on Child Labour in Agriculture.[23] Child labour shall not be used in connection with an IFAD-supported project. Child labour includes (i) labour below the minimum age of employment; and (ii) any other work that may be hazardous, may interfere with the child's education, or may be harmful to the child's health or to the child's physical, mental, spiritual, moral or social development. A minimum age for employment shall be specified in connection with the project activities, as determined by national law and consistent with the ILO Convention No. 138.[24] Regardless of the minimum age for employment, a child under the age of 18 years may not perform work in connection with or arising from the project activities which, by its nature or the circumstances in which it is carried out, is likely to harm his/her health, safety or morals. Such work is determined by national laws or regulations or by the competent authority and is commonly specified in national lists of hazardous work prohibited to children.[25] Where cases of child labour are identified, immediate steps shall be taken to correct and remedy them, including the rehabilitation and social integration of the child where necessary and appropriate. When operating in a sector or area with a high risk of child labour, the project should include measures that contribute to addressing the root causes of child labour.

The agricultural sector accounts for more than 70 per cent of all global child labour, meaning that more than 100 million girls and boys work on farms, in fisheries or forests. [26] Child labour in agriculture relates primarily to subsistence and commercial farming and livestock herding. It is often hazardous in its nature, especially when health and safety standards are low.
Working long hours limits children's ability to attend school or vocational training, preventing them from gaining the education that could help lift them out of poverty. Girls are particularly disadvantaged, as they often must perform household chores following their work in the fields. For these reasons, it is critical to consider the issues of child health and occupational safety and access to education when assessing the impact of agricultural labour on children.

Box 4. Minimum age for work according to ILO standard	
Age group	*Forms of permissible economic activity (work)*
0-12 years	None
13-14 years[a]	'Light work' only,[b] not formal employment
15-17 years	All work except "hazardous work"
18 years and over	All work
[a] Check national legislation for higher thresholds.	

[23] https://childlabourinagriculture.org/.
[24] To be consistent with the ILO Minimum Age Convention, 1973 (No. 138) (https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C138), the applicable minimum age will not be less than the age of completion of compulsory schooling and, in principle, not less than 15 years.
[25] In the absence of such regulations, guidance on hazardous work to be prohibited in connection with projects should derive from the relevant ILO instruments. See International Labour Organization, "C182 – ILO Worst Forms of Child Labour Convention, 1999 (No. 182)." ILO. https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C182; and International Labour Organization, R190 – ILO Worst Forms of Child Labour Recommendation, 1999 (No. 190)." ILO. https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R190.
[26] Background information from the International Partnership for Cooperation on Child Labour in Agriculture (https://childlabourinagriculture.org/).

[b] National laws may permit children aged 13 or 14 years to engage in "light work" outside school hours or during school holidays, as long as it does not affect their development or schooling. A practical rule of thumb is that light work is not more than 2 hours per day or 12 hours per week.

Most child labour takes place within the family unit. More than two thirds of all children in child labour work as contributing family labourers. Understanding and addressing family reliance on children's labour will therefore be critical to broader progress towards ending child labour.
At the same time, it is important to recognize the benefits of involving children in age-appropriate and safe agricultural tasks, especially on the family farm where they can learn farming skills from their parents and grandparents while contributing to their own food security. As long as they do not present risks nor interfere with a child's compulsory schooling and right to leisure, such tasks can be a normal part of growing up in a rural environment and can provide them with practical and social skills for their future.
IFAD is a core partner of the United Nations Decade of Family Farming[27] and its Global Action Plan[28] to empower and support family farmers, which by definition are predominantly reliant on the labour of family members. The action plan seeks to strengthen youth engagement in family farming and to support the next generation of young farmers. Of course, IFAD balances this work with the need to promote decent work and to eliminate hazardous forms of child labour, as reflected in its key role in the International Partnership for Cooperation on Child Labour in Agriculture,[29] which brings together stakeholders from labour and agriculture organizations to find solutions to child labour in agriculture.

(xxxvii) Child labour requirements

The environmental and social assessment should consider any inherent risks relating to child labour within the country, the region, the sector or the industry in which the project is developed. International standards on the employment of minors are set out in two international conventions established by ILO: Minimum Age Convention, 1973 (No. 138) and Worst Forms of Child Labour Convention, 1999 (No. 182) (see table 3). The ILO standards identify age groups for which different forms of economic activity (work) are acceptable (see box 4). The key age is 15 years, which is established as the prevailing norm worldwide for admission to employment. However, it is important to note that national legislation may set a higher threshold, which typically coincides with the end of compulsory schooling.
Light work.[30] ILO Convention No. 138 allows children to perform light work from 13 years (see box 4), as long as the work does not fall under the scope of the worst forms of child labour and does not interfere with the child's education and physical and mental development. In agriculture, light work might be work near the children's home, under the supervision of the parents and physically undemanding – for example, chicken-raising at household level. National legislation must determine which activities can be considered light work and prescribe the number of hours and conditions in which these light work activities may be undertaken.
Age-appropriate tasks. While child labour is by definition unacceptable, there are age-appropriate tasks that are not harmful to children and can even be beneficial. These tasks do not interfere with the child's education, are physically appropriate to the child's development and allow sufficient time for recreation and leisure. For example, the weight of a load carried by a

[27] Food and Agriculture Organization of the United Nations and IFAD, "United Nations Decade of Family Farming 2019-2028." FAO, http://www.fao.org/family-farming-decade/home/en/
[28] Food and Agriculture Organization of the United Nations and IFAD, *United Nations Decade of Family Farming 2019-2028: Global action plan* (Rome: FAO and IFAD, 2019), http://www.fao.org/3/ca4672en/ca4672en.pdf
[29] https://childlabourinagriculture.org/.
[30] See Food and Agriculture Organization of the United Nations, *Handbook for monitoring and evaluation of child labour in agriculture: Measuring the impacts of agricultural and food security programmes on child labour in family-based agriculture* (Rome: FAO, 2015), http://www.fao.org/3/a-i4630e.pdf.

child must be suitable for the child's stage of physical development. Especially in the context of family-based economic activities, some participation by children may be regarded as positive since it contributes to the intergenerational transfer of skills and children's food security. Age-appropriate tasks become "child labour" when children are (a) too young for the work they are undertaking; (b) work too many hours for their age; (c) undertake work of a hazardous nature or in hazardous conditions; (d) work under slave-like conditions; or (e) are obliged to undertake illicit activities.

Hazardous work. Even when children are above the minimum age of employment their work can still be classified as child labour if it involves hazardous conditions. ILO Convention No. 182 calls on national governments to define hazardous work and to set out a list of jobs that are prohibited for children under 18 years of age, such as:

- Work underground, under water, at dangerous heights or in confined spaces;
- Work with dangerous machinery, equipment and tools, or that involves the manual handling or transport of heavy loads;
- Work in an unhealthy environment that may, for example, expose children to hazardous substances, agents or processes or to temperatures, noise levels, or vibrations damaging to their health;
- Work under particularly difficult conditions such as long hours or during the night or where the child is unreasonably confined to the premises of the employer; and
- Work that exposes children to physical, psychological or sexual abuse.

It is important to check the national definition of hazardous work, the content of any list of hazardous work and any restrictions on the type of work that can be carried out by children under 18 years (such as in relation to work at night or overtime work).

There are a number of practical steps that the responsible party can take to ensure that it has the appropriate policies and procedures in place to comply with IFAD's requirements (see box 5). These also apply to third-party contractors and labour providers, a particular risk in the context of construction activities.

Box 5. Steps to avoid use of child labour

- Comply with minimum age requirements set out in ILO conventions or national legislation (whichever offers the greatest protection to young people under the age of 18 years) and keep records of the dates of birth of all employees, verified by official documentation.
- Check the activities carried out by young workers and ensure that those under18 years of age are not employed in hazardous work, including in contractor workforces. Hazardous work will normally be defined in national legislation and will be likely to include most tasks in construction and several in agriculture.
- Assess the safety risks relating to any work by children under18 years and carry out regular monitoring of their health, working conditions and hours of work.
- Ensure that any workers aged 13-15 years are doing only light work outside school hours, in accordance with national legislation, or working in a government-approved training programme.
- Ensure that contractors have adequate systems in place to identify workers under the age of 18 years and to ensure that they are not engaged in hazardous work and that their work is subject to appropriate risk assessment and health monitoring.
- Assess the risk of child labour occurring in the core supply chain and, where identified, take steps to remedy or mitigate the problem.

IFAD is to be informed promptly of any identified cases of child labour in supported project activities. IFAD will engage with borrower/recipient/partner to ensure prompt remedy of such cases.
The Handbook for monitoring and evaluation of child labour in agriculture[31] is an important resources for designing, assessing and monitoring projects that need to address the risks of child labour in agricultural production and pastoral activities.

Paragraph 18: Occupational safety and health
Occupational safety and health measures are applied to establish and maintain a safe and healthy working environment, including the protection of workers from exposure to chemical, physical, biological and psychosocial hazards (including violence and harassment). Parties who employ or engage workers in association with the project are to put in place measures that are designed and implemented to address: iii. Identification of potential hazards to workers, particularly those that may be life-threatening; iv. Provision of preventive and protective measures, implemented in the following order of priority: elimination or substitution; engineering and organizational controls; administrative controls; where residual hazards and risks cannot be controlled through these collective measures, provision of personal protective equipment at no cost to the worker; and provision of medical surveillance to workers; v. Safety and health training, including on the proper use and maintenance of personal protective equipment, at no cost to workers, and maintenance of training records; vi. Documentation and reporting of occupational accidents, diseases and incidents; vii. Emergency prevention and preparedness and response arrangements to emergency situations; and viii. Remedies for adverse impacts such as occupational injuries, deaths, disability and disease.

Agriculture is one of the most hazardous sectors in terms of work-related fatalities, non-fatal accidents and occupational diseases. Workers face risks that include operating dangerous machinery and tools, hazardous chemicals, toxic or allergenic agents, carcinogenic substances or agents, parasitic diseases, transmissible animal diseases, confined spaces, ergonomic hazards, extreme temperatures and contact with dangerous and poisonous animals.
Despite this, agricultural workers often lack access to the necessary health, information and training services to adequately respond to these health hazards. Vulnerable groups are particularly affected, including migrants, seasonal workers, the elderly, women and children.
Measures relating to OSH are aimed at protecting project workers from injury, illness or impacts associated with exposure to hazards encountered in the workplace or while working.[32] The way in which OSH provisions apply in projects depends on the type of project; the nature and severity of the hazards, risks and impacts; and the types of workers involved. Most countries have laws regulating OSH and workplace conditions; responsible parties are required to follow these, together with the requirements of this standard.[33]
Responsible parties should apply the following principles related to OSH:

[31] Food and Agriculture Organization of the United Nations, *Handbook for monitoring and evaluation of child labour in agriculture: Measuring the impacts of agricultural and food security programmes on child labour in family-based agriculture* (Rome: FAO, 2015), http://www.fao.org/3/a-i4630e.pdf
[32] Guidance Note on Standard 6: Community health and safety contains additional guidance on health and safety risks to communities.
[33] Additional guidance on the management of OSH issues according to good international industry practice is provided in the World Bank Group Environmental, Health and Safety Guidelines, both general and industry sector, available at https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/ehs-guidelines.

- Take all reasonable precautionary actions to protect the health and safety of workers.
- Ensure that workers are not exposed to unnecessary or unreasonable risks in the workplace, in dormitories and on transport systems.
- Implement an OSH management system consistent with international standards (e.g. ILO-OSH 2001,[34] ISO 45001[35]).
- Implement preventive and protective measures according to the following order of priority:
  - Eliminate the hazard;
  - Control the hazard at its source;
  - Minimize the hazard;
  - Provide appropriate personal protective equipment.
- Document, investigate and report all accidents and occupational diseases, their causes and implement appropriate corrective actions.

(xxxviii) Hazard identification

Hazards may arise from materials (for example, chemical, physical, and biological substances and agents), environmental or working conditions (for example, working at heights or in confined spaces, excessive hours of work, night work, mental or physical factors, oxygen-deficient environments, excessive temperatures, inadequate ventilation, poor lighting, faulty electrical systems or trenches) or work processes (for example, tools, machinery and equipment).
The project's environmental and social assessment should identify potential OSH risks related to IFAD-supported employment activities. Employers of project workers should undertake a comprehensive job safety or job hazard analysis to assess OSH risks and demonstrate that appropriate OSH measures are incorporated into the design and implementation of the project to prevent and protect workers from occupational injuries and illness. This would typically be encompassed and implemented through the responsible party's OSH management system.

(xxxix) Hazard avoidance

Avoiding or eliminating sources of hazards is the first priority rather than simply addressing the hazard through preventive and protective measures such as personal protective equipment. However, when this is not feasible, appropriate control and protective measures should be included in the project's OSH measures. These might include controlling the hazard at its source through the use of protective solutions (for example, exhaust ventilation systems, isolation rooms, machine guarding, acoustic insulation) and providing adequate personal protective equipment at no cost to the project worker.
Project sites should provide adequate first aid facilities and relevant training. Protective measures include hazard labelling in languages understood by the project workers and provision of training and equipment to prevent occupational exposure to hazardous materials. Further details are set out in the World Bank Group environmental, health and safety guidelines.[36]

[34] International Labour Office, *ILO Guidelines on Occupational Safety and Health Management Systems: ILO-OSH 2001* (Geneva, Switzerland: ILO, 2001), https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_publ_9221116344_en.pdf. See also United Nations System, Chief Executives Board for Coordination, High-level Committee on Management, *United Nations Common System: Occupational Safety and Health (OSH) Framework* (New York, USA: United Nations, 2015), https://www.ilo.org/dyn/osh/intranet.file_open?p_reference_id=72.
[35] International Organization for Standardization, "ISO 45001: Occupational Health and Safety." ISO. https://www.iso.org/iso-45001-occupational-health-and-safety.html.
[36] See footnote 33, above.

Some OSH risks may be specific to female workers. It is recommended to include a balanced representation of women on OSH committees to help design policies and practices responding to the needs of female project workers.

(xl) Training

Project workers should receive OSH training at the start of their employment or engagement and thereafter on a regular basis and when changes are made in the workplace, with records of the training kept on file. Training should cover the relevant aspects of OSH associated with daily work, including the ability to stop work without retaliation in situations of imminent danger and emergency arrangements. Training records should include a description of the training provided, the number of hours of training provided, training attendance records and results of evaluations. Where project workers carry out potentially hazardous activities, more-specific training may be appropriate. In industries where it is recognized that activities can be highly hazardous, for example, in the construction or chemicals industry, managers should be provided with specific training and, where appropriate, required to achieve accreditation. It is important for OSH briefings to be conducted for all visitors and other third parties accessing the project site.
A number of methods can be used to collaborate and consult with project workers regarding OSH and to facilitate an awareness and understanding of and support for OSH requirements. These include, for example, inviting project workers to appoint safety officers or representatives, or forming health and safety committees to support collaboration in achieving safety and effective communication of information. In designing and implementing these methods, it is important to consider the experience of the project workers, their level of knowledge, their familiarity with OSH requirements and the languages in which they communicate

(xli) Services and accommodation

Services provided to project workers (for example, canteen facilities, nursing facilities or a camp store on a construction site), whether directly or through a contractor, should be provided in a non-discriminatory manner and comply with national law and the requirements of standard 5, particularly in relation to quality, security and safety. Where project workers are charged for such services, charges should be reasonable with reference to local market prices and, unless the context of the project makes it necessary, project workers should not be required to use the services.
Where employers provide accommodation for project workers, the accommodation shall be appropriate for its location and be clean, safe and, at a minimum, meet the basic needs of workers. In particular, the provision of accommodation shall meet national legislation and international good practice in relation, but not restricted, to the following: the provision of minimum amounts of space for each worker; provision of sanitary, laundry and cooking facilities and potable water; the location of accommodation in relation to the workplace; safety provisions and local facilities for health, fire or other hazards or disturbances; the provision of first aid and medical facilities; and heating and ventilation. Workers' freedom of movement to and from employer-provided accommodation shall not be unduly restricted.[37]

(xlii) Emergencies

Effective emergency preparedness and response plans help the responsible party prepare for the best outcomes while assuming the worst possible scenarios. They should define clearly assigned responsibilities for the assessment of risks to life, property and environment, with procedures on who should communicate with whom regarding different types of emergencies. The level of planning and communication should be commensurate with the potential impacts.

[37] See International Finance Corporation and European Bank for Reconstruction and Development, *Workers' Accommodation: Process and Standards – A Guidance Note by IFC and the EBRD* (London: EBRD, 2009), https://www.ebrd.com/downloads/about/sustainability/Workers_accomodation.pdf.

These plans should define specific procedures designed based on the emergency-level classification (emergency tiers). Procedures for shutting down equipment and production processes and for evacuations, including a designated meeting place (muster point) outside the project site, should be part of the emergency preparedness and response plans (see box 6).

Box 6. Elements contained in workplace/site emergency and response plans

Emergency plans should address the following aspects of emergency preparedness and response:

- Identification of emergency scenarios;
- Specific emergency response procedures;
- Emergency contacts and communication systems/protocols;
- Procedures for interaction with government authorities (emergency, health, environmental authorities);
- Permanently stationed emergency equipment and facilities (e.g. first aid stations, firefighting equipment, spill-response equipment, personal protection equipment for the emergency response teams);
- Protocols for the use of the emergency equipment and facilities;
- Clear identification of evacuation routes and muster points;
- Emergency drills and their periodicity based on assigned emergency levels or tiers;
- Decontamination procedures and means to proceed with urgent remedial measures to contain, limit and reduce pollution within the physical boundaries of the project property and assets to the extent possible.

In emergency situations, it is important that both project workers and the community understand their roles and responsibilities. The responsible party should communicate with other parties who may be involved in prevention, preparedness and response arrangements, for example, local authorities and services, so that they understand their roles and responsibilities and can identify and mobilize the resources that may be required (see also the emergency preparedness and response provisions of Standard 6: Community health and safety).

(xliii) Documenting, reporting, investigating, remedy

A system for reviewing and responding to identified hazards and risks normally includes a procedure for documenting specific incidents such as project-related occupational injuries, illnesses and lost-time accidents. The responsible party maintains such records and requires all third parties and primary suppliers to maintain them. Such records form an input into the regular review of OSH performance and working conditions and other actions.

Workplace mechanisms need to be made available for workers to report work situations that they believe are not safe or healthy and to remove themselves from a work situation they have reasonable justification to believe presents an imminent and serious danger to their life or health. Workers who remove themselves from such situations should not be required to return to work until necessary remedial action to correct the situation has been taken. Retaliation against workers who raise health and safety concerns is prohibited.

In the event of an occupational fatality or serious injury, the responsible party reports to IFAD as soon as becoming aware of the fatality or serious injury and informs government authorities in accordance with national reporting requirements. Similar reporting obligations apply to third parties and primary suppliers (reporting to the responsible party).

Corrective actions should be identified and implemented in response to project-related incidents or accidents. Where appropriate, these are included in agreements with third parties, including contractors. The relevant party may conduct and, upon request, share with IFAD a root-cause analysis, to be used as the basis for designing and implementing further corrective actions. Projects should have in place employment injury benefits and/or remedies for adverse impacts such as occupational injuries, disability, ill health or disease and death. These would include, for example, insurance arrangements that ensure access to health benefits and replacement of loss of earnings in case of a work-related injury, death or illness.

Paragraphs 19 & 20: Grievance mechanism
Workers are informed of applicable grievance and conflict resolution systems or mechanisms provided at the workplace level. Such mechanisms will be designed to address workers' concerns promptly, using an understandable, transparent process that provides timely feedback to those concerned in a language they understand, without any retribution, and shall operate in an independent and objective manner. Workers may use these mechanisms without retribution. The grievance and conflict resolution system does not impede access to other judicial or administrative remedies available under the national law or through existing arbitration procedures or substitute for grievance systems provided through collective agreements.

Workplace concerns are usually different from issues raised by project-affected parties and other stakeholders and therefore call for a separate mechanism to address them. Workplace grievances may relate to problems and issues that employees experience over the course of their employment. Grievances can cover a broad range of concerns, from potentially illegal actions such as unethical recruitment, workplace discrimination, sexual harassment or victimization, to concerns about wages, how a poor relationship between two employees has been managed, a complaint about the quality of food in the canteen or a disagreement over holiday arrangements.

A grievance mechanism is a procedure that provides a clear and transparent framework for addressing grievances related to the recruitment process and in the workplace. This typically takes the form of an internal procedure for complaints, followed by consideration and management response and feedback.

Grievance procedures should be tailored to meet the needs of each organization, according to the sector, country, culture and workforce composition. There is no prescribed form for grievance mechanisms. For example, grievance procedures may be included in collective agreements.

An effective and appropriate grievance mechanism operates with independence and objectivity, informs workers of the steps being taken to address their concerns and allows for feedback about the response, and an appeals process to which unsatisfied grievances may be referred. The grievance procedure should include reasonable measures to ensure that workers who submit grievances are not subjected to any form of retaliation. Such measures may include assurance of confidentiality.

Information on the grievance procedure needs to be made available throughout project duration in a manner that is clear, understandable and accessible to workers, for example, by including it in workers' handbooks, on notice boards or through similar communication mechanisms.

Workplace grievance mechanisms need to be accessible to all direct and contracted workers, taking into account their different characteristics; for example, workers with disabilities may require different communication methods than those without disabilities. Where appropriate, consideration can be given to allowing concerns to be raised anonymously and/or to a person other than an immediate supervisor.

Workplace grievance mechanisms do not replace or impede access to other judicial or administrative remedies that might be available under the law or through existing arbitration procedures.

(xliv) Grievance mechanism for sexual harassment

It may be necessary to have a stand-alone policy and procedure for sexual harassment. Confidentiality, discretion and non-retribution are particularly important for these cases, as is the ability to lodge grievances anonymously. Victims of sexual harassment may feel too intimidated to lodge a grievance in person. Gender should be taken into consideration and it is good practice to have both a male and a female staff member available to receive and process grievances, so that employees can choose to whom they wish to speak. An effective sexual harassment complaints procedure:

- Conveys the message that the employer takes all cases of harassment seriously and is able to prevent harassment;
- Enables the complainant to report harassment to the most appropriate point of contact – preferably anonymously – from a choice of management-liaison points and, wherever possible, to enable the complainant to report harassment to a female supervisor or manager;
- Ensures that complaints are dealt with consistently and within a specified period of time;
- Alerts an employer to patterns of unacceptable conduct; and
- Highlights the need for prevention strategies in particular areas.

Paragraph 21: Contractor/third-party worker
Seek to ensure that third parties who engage workers in association with the project are legitimate and reliable entities and have in place appropriate policies, processes and systems that allow them to operate in accordance with the requirements of this standard. Procedures are established for managing and monitoring the performance of such third parties in relation to the requirements of this standard, including incorporation of the requirements into contractual agreements with such third parties, together with appropriate non-compliance remedies. In the case of subcontracting, third parties are required to include equivalent requirements and remedies in their contractual agreements with subcontractors.

The responsible party needs to develop and implement procedures to manage and monitor performance of third parties who engage workers in association with the project. Most national laws address contract labour, though the terms vary widely among countries and types of contract labour.

The responsible party should assess the employment relationship between the contractor and workers and ensure that all contractors comply with legal requirements covering, but not limited to, minimum wage, hours of work, overtime payments, health and safety conditions, contributions to health insurance and pension schedules, and other legally mandated employment terms with regard to all workers engaged by third parties. Applicable procedures and requirements, including those of SECAP, should be incorporated into contractual agreements with such third parties, together with appropriate non-compliance remedies. Third parties are also required to include equivalent requirements and remedies in their contractual agreements with subcontractors.

Assessing the legitimacy and reliability of third parties requires reviewing their track record. Box 7 lists possible sources of information to assess third parties. During project implementation, this may include periodic audits, inspections and/or spot checks of project locations or worksites and/or of labour-management records and reports compiled by third parties.

Box 7. Assessing third parties

Depending on the nature of the project and the potential risks and impacts, information provided by the third party or otherwise obtained may include:

- Information in public records, for example, corporate registers and public documents relating to violations of applicable labour law, including reports from labour inspectorates and other enforcement bodies;
- Business licences, registrations, permits and approvals;
- Documents relating to a labour-management system, including occupational safety and health issues;
- Identification of labour-management, safety and health personnel, their qualifications and certifications;
- Workers' certifications/permits/training to perform required work;
- Records of safety and health violations and responses;
- Accident and fatality records and notifications to authorities;
- Records of legally required worker benefits and proof of workers' enrolment in the related programmes;
- Worker payroll records, including hours worked and pay received;
- Identification of safety committee members and records of meetings; and
- Copies of previous contracts with contractors and suppliers.

In cases where third parties are small and medium-sized enterprises or have limited resources and capacity, the responsible party will assess the type of support it can provide to improve such third-party performance in relation to the requirements under this standard. This may include the use or extension of the responsible party's systems or services to supplement those of the third party. If third-party performance cannot be improved within a reasonable time frame, the responsible party will need to evaluate alternative sources for these services.
If the grievance mechanism is provided by the third party for contracted workers, the third party reports regularly on concerns raised by the contracted workers and the way in which the grievances were resolved. If a third party is not able to provide a grievance mechanism, the project's grievance mechanism is made available to the contracted workers and the responsible party brings any concerns received through the project grievance mechanism to the attention of the third party for resolution.

Paragraphs 22 & 23: Primary-supplier workers

Identify potential risks of violations of primary-supplier workers' fundamental rights and safety and health issues and establish roles and responsibilities for monitoring primary suppliers. If child labour, forced labour, unsafe working conditions or breaches of other fundamental rights are identified, the responsible party will require the primary supplier to take appropriate steps to remedy them.

The ability to address these risks shall depend upon the responsible party's level of control or influence over its primary suppliers. Where prevention and remedy are not possible, shift the project's primary suppliers to suppliers that can demonstrate that they are meeting the relevant requirements of this standard. Where there is imminent danger of serious injury, ill health or death to workers, the responsible party shall exercise its control or influence to stop the operation concerned until such time as the primary

supplier can demonstrate that it can control the hazard in a manner consistent with the requirements of this standard.

The environmental and social assessment identifies, to the extent possible, the types of goods and materials to be obtained from primary suppliers (tier 1 suppliers). The supply may be local in nature or come from other parts of the country or from outside the country. Where potential child labour, forced labour and serious safety risks are identified or are prevalent or known to exist in a specific sector, industry or region in connection with the supply of such goods and materials, a mapping exercise should be conducted to identify possible suppliers and the extent to which they may present such risks. Risks regarding workers' freedom of association, the right to collective bargaining, non-discrimination and equal opportunity should also be identified and monitored.

Where it is not possible to assess specific primary suppliers, the risk assessment should review general industry labour issues and risks relating to the supply of such goods and materials, with particular attention given to high-risk countries and sectors. The United States Department of Labor's list of goods produced by child or forced labour can help to identify products and countries that present a particular risk in this regard.[38] Agriculture is a sector that poses a particular risk, notably where there are large numbers of smallholders or routine use of labour intermediaries to recruit workers.

It is also useful to periodically update the assessment of potential risks that may arise in relation to primary suppliers of the project during project implementation. Tracking of suppliers' performance helps inform whether procedures and mitigation measures are being appropriately implemented and provide feedback on performance and any new areas of risk.

Where appropriate, specific requirements on child labour, forced labour and work-safety issues are included in all purchasing orders and contracts with suppliers. Other good practices are noted in box 8.

The ability of the responsible party to influence its primary suppliers depends on the terms and conditions of contracts with the primary supplier. In situations where there is an integrated chain of suppliers that depend on the responsible party for their business viability, this leverage and the risk from supplier non-performance will be high. As the supply chain extends into commodity markets where the responsible party's operation has little significance, the supply-chain review will simply reflect sectoral issues, rather than opportunities for project-specific mitigation. Where the responsible party has complex operations with multiple tiers of suppliers, its leverage will diminish towards the more distant tiers of suppliers.

Box 8. Addressing child and forced labour in supply chains

Examples of good practice in addressing the risk of child labour and forced labour in supply chains include:

- Putting in place a clear and transparent company policy that sets out measures to prevent child labour, forced labour and trafficking in the supply chain;
- Providing training for human-resources staff and procurement teams in identifying child labour and forced labour and seeking appropriate remedies;
- Carrying out initial screenings of potential suppliers, including checking conditions and practices at their premises and their use of labour recruiters;

[38] See footnote 23, above.

- Making new and existing suppliers aware that the use of child labour and forced labour will not be tolerated and providing clear information about what constitutes either;
- Including in supplier contracts requirements with regard to child labour and forced labour;
- Working with suppliers to improve conditions; and
- Dropping suppliers that fail to make serious efforts to solve child labour and forced labour issues. However, this should be preceded by clear warnings that state the consequences of continued non-compliance.

Where forced labour and child labour or unsafe conditions are discovered in the supply chain, the responsible party should seek professional advice on the appropriate steps to take to address this issue. Where prevention and remedy are not possible, the responsible party will shift over an agreed period of time to suppliers that can demonstrate that they are able to comply with the requirements of this standard.

PP. 5. Monitoring project implementation

IFAD requires that key documents be submitted to IFAD, including the project environmental and social assessment, labour assessment and management procedures, and sector restructuring plans, if applicable.

IFAD also requires prompt notification and sharing of information regarding the following project-related issues concerning labour and working conditions: (a) when child labour and/or forced labour is identified in project activities and/or value chains; (b) in the event of serious OSH issues, including serious injury and/or death. The borrower/recipient/partner will undertake immediate corrective actions and remedial steps to address such incidences and inform IFAD accordingly.

The project environmental and social assessment and labour and management procedures (annex I) provide a framework for monitoring identified risk areas over the course of project implementation. Projects categorized as substantial or high risk will require an environmental and social management plan that provides monitoring indicators. Monitoring arrangements should be appropriately scaled to the nature of the project and its associated social and environmental risks and impacts.

For projects with significant risks regarding labour and working conditions, knowledgeable independent experts should be engaged to assist with monitoring throughout the duration of the project cycle.

Project documentation should provide a detailed description of the format for monitoring, the obligation to report to the communities in a culturally appropriate manner and the timing of monitoring (e.g. annual, midterm, closure, when there are significant changes in implementation, etc.).

SECAP compliance review activities should be appropriate to the type and scope of the requirements, and may include:

- Reviewing monitoring reports, conducting site visits and reviewing project-related information;
- Reviewing compliance with SECAP standards requirements;
- Advising partners on how to manage issues related to the SECAP and the standards; and
- Communicating risks and probable consequences of failure to comply with the SECAP requirements and initiating remedies if the partner fails to (re)establish compliance.

QQ. Annex I. Labour assessment and management procedures

The labour assessment and management procedure (LA/MP) facilitates planning and assists the borrower/recipient/partner in ensuring that project implementation adheres to the requirements of Standard 5: on Labour and working conditions. The LA/MP identifies the main labour requirements and risks associated with the project and helps the borrower/recipient/partner to determine the resources necessary to address project labour issues.

The LA/MP may be prepared as a stand-alone document or form part of other environmental and social management documents. The LA/MP is a living document that is initiated early in project preparation and is reviewed and updated throughout development and implementation of the project.

In preparing and updating the LA/MP, borrowers/recipients/partners should refer to the requirements of national law and standard 5 and its guidance note. The content of the LA/MP is indicative: some issues may not be relevant to the project, while some projects may have other issues that need to be captured from a planning perspective. Where national law addresses requirements of standard 5, this should be noted in the LA/MP.

A concise and up-to-date LA/MP will enable different project-related parties (e.g. staff of the project implementing unit, contractors and subcontractors and project workers) to have a clear understanding of what is required on a specific labour issue. The level of detail in the LA/MP will depend on the type of project and information available. Where relevant information is not available, this should be noted and the LA/MP should be updated as soon as possible.

Below is an indicative outline of an LA/MP.

1. **Overview of labour use in the project:** This section describes the following, based on available information:

   (j) *Number of project workers*: The total number of workers to be employed on the project, and the different types of workers (direct workers, contracted workers and community workers). Where numbers are not yet firm, an estimate should be provided.

   (k) *Characteristics of project workers*: To the extent possible, a broad description and an indication of the likely characteristics of the project workers, e.g. local workers, national or international migrants, female workers, workers between the minimum age and 18 years of age.

   (l) *Timing of labour requirements*: The timing and sequencing of labour requirements in terms of numbers, locations, types of jobs and skills required.

   (m) *Contracted workers*: The anticipated or known contracting structure for the project, with numbers and types of contractors/subcontractors and the likely number of project workers to be employed or engaged by each contractor/subcontractor. If it is likely that project workers will be engaged through brokers, intermediaries or agents, this should be noted together with an estimate of the number of workers that are expected to be recruited in this way.

   (n) *Migrant workers*: If it is likely that migrant workers (either domestic or international) are expected to work on the project, this should be noted and details provided.

2. **Assessment of key potential labour risks:** This section describes the following, based on available information:

   (o) *Project activities*: The type and location of the project, and the different activities the project workers will carry out.

(p) *Key labour risks:* The key labour risks which may be associated with the project (see, for example, those identified in standard 5 and the guidance note). These could include, for example:

- The conduct of hazardous work, such as working at heights or in confined spaces, use of heavy machinery or use of hazardous materials;
- Likely incidents of child labour or forced labour, with reference to the sector or locality;
- Discriminatory policies or practices that deny equal opportunity;
- Restrictions on freedom of association and collective bargaining;
- Likely presence of migrants or seasonal workers;
- Risks of labour influx or
- Risk of gender-based violence;
- Possible accidents or emergencies, with reference to the sector or locality; and
- General understanding and implementation of OSH requirements

3. **Brief overview of labour legislation: Terms and conditions:** This section sets out the key aspects of national labour legislation with regards to term and conditions of work and how national legislation applies to different categories of workers identified in section 1 of the LA/MP. The overview focuses on legislation that relates to the items set out in standard 5, paragraphs 8 and 9 (i.e. wages, deductions and benefits).

4. **Brief overview of labour legislation: Occupational safety andhealth:** This section sets out the key aspects of the national labour legislation with regards to OSH and how national legislation applies to the different categories of workers identified in section 1 of the LA/MP. The overview focuses on legislation that relates to the items set out in standard 5, paragraph 19.

5. **Responsible staff:** This section identifies the functions and/or individuals within the project responsible for (as relevant):

   - Engagement and management of project workers;
   - Engagement and management of contractors/subcontractors;
   - Occupational safety and health (OSH);
   - Training of workers; and
   - Addressing worker grievances.

   In some cases, this section will identify functions and/or individuals from contractors or subcontractors, particularly in projects where project workers are employed by third parties.

6. **Policies and procedures:** This section sets out information on OHS, reporting and monitoring and other general project policies. Where relevant, it identifies applicable national legislation.

   - Where significant safety risks have been identified as part of section 2 of the LA/MP, this section outlines how these will be addressed in a manner consistent with national labour and employment regulations and the requirements of standard 5.
   - Where the risk of forced labour has been identified, this section outlines how these will be addressed (see standard 5 paragraph 15 and this guidance note). Where risks of child labour have been identified, these are addressed in section 7 of the LA/MP.

- Where the borrower/recipient/partner has stand-alone policies or procedures, these can be referenced or annexed to the LA/MP, together with any other supporting documentation.

7. **Age of employment:** This section sets out details regarding (see standard 5 paragraphs 16-18 and this guidance note):

   - The minimum age for employment on the project;
   - The process that will be followed to verify the age of project workers;
   - The procedure that will be followed if underage workers are found working on the project; and
   - The procedure for conducting risk assessments for workers aged between the minimum age and 18 years of age.

8. **Terms and conditions:** This section sets out details regarding:

   - Specific wages, hours and other provisions that apply to the project;
   - Maximum number of hours that can be worked on the project;
   - Any collective agreements that apply to the project; when relevant, provide a list of agreements and describe key features and provisions; and
   - Other specific terms and conditions.

9. **Grievance mechanism:** This section sets out details of the grievance mechanism that will be provided for direct and contracted workers and describes the way in which these workers will be made aware of the mechanism.

   - Where community workers are engaged in the project, details of the grievance mechanism for these workers is set out in section 11 of the LA/MP.

10. **Contractor management:** This section sets out details regarding contractor and third-party work management (see standard 5, paragraph, 22 and this guidance note) and includes:

    - The selection process for contractors/third parties;
    - The contractual provisions that will be put in place relating to contractors for the management of labour issues, including OSH; and
    - The procedure for managing and monitoring the performance of contractors.

11. **Community workers:** Where community workers will be involved in the project, this section sets out details of the terms and conditions of their work and identifies measures to check that community labour is provided on a voluntary basis. It also provides details of the type of agreements that are required and how they will be documented. This section sets out details of the grievance mechanism for community workers and the roles and responsibilities for monitoring such workers.

12. **Primary-supplier workers:** Where a significant risk of child or forced labour or serious safety issues in relation to primary suppliers has been identified, this section sets out the procedure for monitoring and reporting on primary supply workers.

Guidance Note 6: Community health and safety

RR. 1. Introduction

While acknowledging the public authorities' role in promoting the health, safety and security of the public, standard 6 addresses the responsibility of IFAD and the borrower/recipient/partner to avoid or minimize the risks and impacts to community health, safety and security that may arise from project activities.

This guidance note provides further information and guidance on addressing the standard 6 requirements during programme and project design and implementation. It has been prepared to assist provide IFAD's project delivery teams (PDTs) and borrower/recipient/partner with advice on how to systematically identify, prevent and/or mitigate potential impacts and risks related to community health and safety within the screening, assessment and management steps outlined in IFAD's Social, Environmental and Climate Assessment Procedures (SECAP).[1] The guidance has a particular focus on the people or groups of people who, because of their special circumstances, are particularly vulnerable.

It also includes operational tools to help identify and manage some of the common community health and safety concerns that arise in agricultural projects. This guidance note is designed as a concise "where to" guide that helps users find appropriate external guidance to help them through the requirements of standard 6.

Section 2 of this guidance note provides an overview of the key process steps for addressing the standard 6 requirements, and summarizes the roles and responsibilities of PDTs and borrower/recipient/partner in the context of SECAP.

Section 3 provides an introduction to and cross-referencing of requirements for each standard 6 screening question in order to provide assistance with how to adequately approach the screening requirements for project- and programme-level risks. Section 4 provides a discussion of key issues related to addressing each of the specific standard 6 requirements. The note concludes with a short section on relevant standard 6 monitoring issues (section 5). Annex I presents more detail on community exposure to potential health issues. Annex II presents detailed technical guidance on dam design and safety.

SS. 2. Key steps and roles and responsibilities

Table 1 below provides a quick overview of the key steps in the process for addressing the requirements of Standard 6: Community health and safety.

Table 1 - Quick overview of key steps for addressing the requirements of Social, Environmental and Climate Standard 6: Community health and safety

Screen for potential environmental and social risks

- Screen proposed projects using the SECAP screening checklist/tool to identify potential adverse impacts on community health, safety and security.
- Categorize project risk (low/moderate/substantial/high).
- Develop a stakeholder engagement plan and start early consultation to identify options to avoid potential adverse impacts (substantial- and high-risk projects).

Assess potential environmental and social risks and impacts

- For substantial and high-risk projects, assess direct and indirect adverse impacts on community health, safety and security.
- Produce a full environmental, social and climate management framework or environmental impact and social assessment for potential high-risk projects. For substantial-risk projects, produce an abbreviated environmental, social and climate management framework or abbreviated environmental impact and social assessment.
- For moderate-risk projects, prepare an environmental, social and climate management plan.

[1] IFAD, *Social, Environmental and Climate Assessment Procedures: Volume 1* (Rome: IFAD, 2020). [INSERT LINK WHEN AVAILABLE].

- Low-risk projects do not require formal assessment, but may need to meet the requirements of codes of practice.
- Utilize relevant expertise and ensure impacts are assessed at appropriate geographic scale.
- Ensure that the level of stakeholder engagement is at a scale appropriate to potential risks/impacts.

Mitigate, manage and monitor risks and impacts

- For substantial- and high-risk projects, apply the precautionary principle and follow the mitigation hierarchy.[a]
- Develop a management plan that reflects relevant requirements of standard 6. Where specific details and sites of proposed projects are not yet fully defined, develop a management framework. The scale of the plan will vary depending on the nature, magnitude and significance of potential risks and impacts.
- Monitor all mitigation measures and actions.

[a] The mitigation hierarchy is applied by (a) anticipating and avoiding risks and impacts; (b) where avoidance is not possible, minimizing or reducing risks and impacts; (c) once risks and impacts have been minimized or reduced, mitigating them; and (d) where residual adverse impacts remain, compensating for or offsetting them, where technically and financially feasible.

2.1 SECAP roles and responsibilities

The roles and responsibilities outlined in table 2 describe the major functions of IFAD PDT's and the borrower/recipient/partner in the SECAP process during project identification, preparation and implementation. [2]

Table 2 - Roles and responsibilities of IFAD project delivery teams and the borrower/recipient/partner in the social, environmental and climate assessment procedures process

Project stage	*IFAD PDT*	*Borrower/recipient/partner*
Identification Preparation Development	• Overseeing application of the SECAP processes, including gender mainstreaming. • Screening projects to determine if they trigger all safeguard standards including whether a full or limited ESIA is required. • In addition to the environmental and social screening and categorization process, a parallel exercise should be undertaken by PDTs to determine the exposure and sensitivity of the project objectives to climate-related risks, based on available information about historic climate-hazard occurrences, current climate trends and future climate-change scenarios. • Reviewing and assessing the ESIA terms of reference , the ESIA document/report and project-level plans, including the adequacy of the assessment of project impacts and the proposed measures to address issues to ensure they meet applicable safeguard standards, prior to project approval. • Approving project concept based on a determination that safeguard issues have been adequately addressed. If adverse environmental or social impacts outweigh the	• Providing accurate, reliable and timely information required in the SECAP screening checklist/tool. • Designing, planning and preparing project concepts and proposals according to SECAP requirements. • The costs for preparing the background studies (feasibility studies, ESIAs, RAF/RAP, etc.) will be financed by the borrower/grant recipient. Upon a written request by the borrower/grant recipient, studies and assessments may be financed through the Faster Implementation of Project Start-up instrument. For project-level assessments (ESCMF, ESCMP, ESIA, RAF/RAP, FPIC plan, indigenous -peoples plans, environment and social audit and/or ex post ESIA, as required) undertaken during project implementation, the associated costs will be included in the project cost, including the cost for ensuring meaningful community participation. • Overseeing the ESIA process, and preparation of project management plans resulting from application of the standards and requirements of SECAP. • Implementing all required consultations with project stakeholders, including informing affected communities and explaining the project to them; incorporating feedback from and changes agreed with them; and obtaining

[2] Further information is provided in section 1.3 of IFAD, *Social, Environmental and Climate Assessment Procedures: Volume 1* (Rome: IFAD, 2020). [INSERT LINK WHEN AVAILABLE].

Project stage	*IFAD PDT*	*Borrower/recipient/partner*
	expected benefits, IFAD shall not support the project. • Disclosing of ESIA and project-level plans through the IFAD website.	and documenting their free, prior and informed consent.
Implementation	• Reviewing and monitoring of implementation of financial, technical and project-level plans, including through project kick-off/launch workshops, supervision missions, midterm reviews, field visits, audits and follow-up visits as appropriate to the scale, nature and risks of the project. • Working with the borrower/Grant recipient to identify and plan for corrective measures that achieve the results and uphold the safeguard standards expected under each project, in cases when a project review finds that the borrower/grant recipient is not following project-level plans (i.e. any of the safeguards-related management plans required). If these measures do not succeed in correcting the deficiencies, IFAD may withhold payment or suspend or cancel the grant/loan, as appropriate. • Disclosing completed project evaluations and results through the IFAD website (following donor acceptance, and subject to exclusion of proprietary and personal information).	• Executing project management plans and monitoring the effectiveness of risk mitigation measures; ensuring compliance with and adherence to all safeguards outlined in each of the plans, and undertaking corrective measures in cases where plans have not been executed satisfactorily or where negative or adverse impacts have arisen despite efforts to adhere to project plans. • Informing project-affected local authorities, other stakeholders and IFAD on project progress and on any unexpected and unintended events affecting those communities, in accordance with project-level plan requirements and the project's agreed-upon reporting schedule. • Incorporating feedback from project-affected parties and providing and documenting the process to obtain their free, prior and informed consent to any changes in the project plan. • Producing a project completion report to document safeguard monitoring.

ESCMF = environmental, social and climate management framework; ESCMP = environmental, social and climate management plan; ESIA = environmental and social impact assessment; FPIC = free, prior and informed consent; PDT = project delivery team; RAF = resettlement action framework; RAP = resettlement action plan; SECAP = Social, Environmental and Climate Assessment Procedures

2.2 Objectives and requirements

The requirements of Standard 6: Community Health, Safety, and Security aim to ensure that FAD-supported programs and projects avoid or minimize the risks and impacts to community health, safety and security. The requirements are designed to achieve the following objectives:

- To anticipate and avoid adverse impacts on the health and safety of project-affected communities during the project life cycle from both routine and nonroutine circumstances;
- To ensure that measures are taken to avoid or minimize community exposure to hazardous materials that be used during project activities;
- To promote quality and safety, and considerations relating to climate change, in the design and construction of infrastructure, including dams;
- To avoid or minimize community exposure to project-related traffic and road safety risks;
- To minimize community exposure to diseases;
- To ensure that projects abide by the principles of "do no harm to nutrition";
- To avoid risks of project-related gender-based violence, risks of sexual harassment, sexual exploitation, trafficking and abuse to project-affected people and communities;

- To avoid or minimize adverse impacts on ecosystems services that may arise from project activities;
- To have in place effective measures to address emergency events; and
- To ensure that the safeguarding of personnel and property is carried out in a manner that avoids or minimizes risks to the project-affected communities.

Requirements of Standard 6 are also to be considered and addressed in an integrated manner (e.g. together with risks associated with other Safeguard Standards) during (a) the screening process, (b) social and environmental assessment, and (c) during the development and implementation of any needed mitigation measures and management plans.

TT. 3. Screening

The requirements of standard 6 should be considered and addressed in an integrated manner during the screening process using IFAD's screening checklist, to identify if there are potential significant impacts and risks related to community health, safety and security. This should focus on people or groups of people who, because of their social and economic circumstances, are particularly vulnerable. If substantial, high or moderate risks are identified during screening, then relevant standard 6 requirements should be addressed in project design and implementation, including as part of overall impact assessment, management, mitigation and monitoring activities.

Screening helps to determine whether threats to community health, safety and security will be a major project issue and, if so, what features require studying and assessment. This process can be complex and therefore often requires the judgement of qualified and experienced experts. Project location and types of activities should be carefully reviewed. Examples of red flags that may indicate potential major issues include influx of project/migrant workers; transport, storage, use and/or disposal of hazardous materials; significant disturbance to ecosystems and their services; increases in traffic; and engagement of security personnel.

Table 3 provides cross-referencing of SECAP community health and safety screening questions and sections of this guidance note.

Table 3 - SECAP community health and safety screening questions[a] and standard 6 requirements

Standard 6: Screening Questions	*Reference to key standard 6 requirements and sections of this guidance note*
Would the project potentially involve or lead to:	
1. Risks of waterborne or other vector-borne diseases (e.g. temporary breeding habitats), communicable and non-communicable diseases?	Para. 5
2. Unintended negative impacts on nutrition?	Para. 6
3. Harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)?	Paras. 7-9
4. The construction or rehabilitation of dams?	Paras. 10-16
5. Transport, storage and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	Para.17
6. Adverse impacts on ecosystems and ecosystem services relevant to communities' health (e.g. food, surface-water purification, natural buffers from flooding)?	Para.19
7. The potential for gender-based violence, sexual abuse, sexual harassment or sexual exploitation as a result of labour influx, land redistribution or other actions that alter community dynamics?	Paras. 20 & 21
8. Increases in traffic or alteration in traffic flow?	Paras. 22 & 23
9. An influx of project workers?	Para. 24

10. Engagement of security personnel to protect facilities and property or to support project activities?	Para. 25

[a] Note: the requirements of standard 6 are interrelated and multiple requirements may apply to any one of the risk questions. However, to facilitate addressing the questions, key relevant standard 6 requirements are highlighted here.

UU. 4. Addressing community health and safety requirements in assessment and management planning

4.1 Guidance on requirements

This section outlines key issues to be considered during the environmental assessment and management planning processes that are necessary for moderate-, substantial- and high-risk projects, as determined by the screening procedure.

Each of the 11 requirements of standard 6 is presented in a box, and is followed by specific guidance. The paragraph numbering ("paragraph XX") corresponds to the numbered standard 6 requirements in SECAP volume 1.[3]

Paragraph 4: Health and safety risk management
IFAD requires the borrower/recipient/partner to evaluate the risks and impacts of a given project on the health and safety of the affected communities during the project life cycle, including those who, because of their particular circumstances, may be vulnerable. The borrower/recipient/partner will propose mitigation measures in accordance with the mitigation hierarchy.

Good screening is the first step in designing an efficient and effective assessment and mitigation process. It should aim to inform project efforts to avoid or minimize impacts at an early stage. The PDT should determine whether the project has the potential to result in significant adverse impacts to community health, safety and security and therefore whether standard 6 is relevant.

If standard 6 is determined to be applicable, potential impacts on community health, safety and security should be examined as an integral part of assessing the project's full range of potential adverse social and environmental impacts. Environmental and social assessment integrates environmental and social considerations into project decision-making so that adverse impacts can be avoided and benefits can be delivered in an appropriate manner. The environmental and social assessment by the borrower/recipient/partner presents an opportunity to identify, evaluate and address potential impacts and risks of the project to the local community and to decrease the incidence of accidents, injuries, illnesses and deaths from project-related activities within the project's area of influence. The breadth, depth and type of analysis should be proportionate to the nature and scale of the proposed project's risks to and potential impacts on the health and safety of the local community. The assessment also provides data and analysis for preparing mitigation and management measures.

Assessments are to be conducted with the meaningful and effective participation of the affected people concerned, whose inputs and contributions are to be reflected in the assessment report's analysis and conclusions.

The type of assessment and/or management approach required is outlined in section 2 of SECAP volume 1. As a general rule, projects that are categorized by IFAD as high risk or substantial risk will require comprehensive forms of assessment, meaning either an environmental, social and climate management framework (ESCMFs) or an environmental and social impact assessment (ESIA). Moderate-risk projects will not require the production of an ESIA but will need to prepare an environmental, social and climate management plan (ESCMP). Low-risk projects do not require detailed environmental or social assessment although, depending on the type of project, they may need to conform to relevant sector codes of practice.

[3] See footnote 1, above.

Mitigation and management measures should be developed and implemented for each impact and risk identified in the environmental and social assessment. These measures aim to avoid or reduce adverse impacts, following a mitigation hierarchy.[4] Alternative project designs and locations are to be considered to avoid potential impacts. Mitigation and management measures should meet (and ideally exceed) national regulations and obligations under international law but also the requirements specified in SECAP volume 1 and standard 6. These measures are typically presented in an ESCMP or other relevant management plan. Plans also set out the institutional arrangements (e.g. roles and responsibilities) and resources required to manage impacts, along with implementation and monitoring programmes.

Every effort should be made to ensure that appropriate assessments are conducted and shared with potentially affected people and other stakeholders prior to project approval. For High risk category, the documents will be disclosed[5], when available, in a timely manner at the Design Review Meeting stage on IFAD's website and in an accessible place in the project-affected area for the purposes of keeping parties informed and obtaining meaningful input (see volume 1, section 1.7) However, in certain circumstances, completion of the assessment (and the scoping process) may need to be financed through the project budget (and hence conducted during project implementation). In such cases, an initial management plan (such as an ESCMF) with budget should be incorporated into the project so that the appropriate assessment will be conducted in the early phase of project implementation. However, in all cases the required social and environmental assessment and adoption of appropriate mitigation and management measures must be completed, disclosed and discussed with stakeholders prior to implementation of any activities that may cause adverse social and environmental impacts.

Paragraph 5: Community exposure
IFAD will ensure that projects avoid or minimize the potential for community exposure to health and safety risks (e.g. pollution, contaminated areas/resources) and diseases that could result from or be exacerbated by programming activities, including water-related and vector-borne diseases, communicable and non-communicable diseases, injuries, nutritional disorders, and harm to mental health and well-being that could result from project activities, taking into consideration the differentiated exposure to and higher sensitivity of marginalized groups, including communities living in voluntary isolation.

(xlv) Potential risks and impacts

In development work, community exposure to health risk is usually defined according to the vector of transmission of disease. More detail on the types and origins of exposure risks is provided in annex I. Projects should seek to avoid or minimize the potential for community exposure to new threats and to explore opportunities to improve environmental conditions where diseases are already endemic in a project area.

Waterborne diseases are conditions caused by pathogenic microorganisms within a water source and include cholera, diarrhoea, dysentery and typhoid. The primary source of such diseases is consuming water contaminated by human, animal or chemical wastes while bathing or washing, by drinking it or by eating food exposed to it. These diseases are especially prevalent in areas lacking access to adequate sanitation or treatment facilities. Water-based diseases are caused by organisms that have an aquatic development cycle and another cycle as fully-grown parasites in animal or human hosts. These diseases include guinea worm and schistosomiasis. Poorly designed surface-water drainage and

[4] The mitigation hierarchy is applied by (a) anticipating and avoiding risks and impacts; (b) where avoidance is not possible, minimizing or reducing risks and impacts; (c) once risks and impacts have been minimized or reduced, mitigating them; and (d) where residual adverse impacts remain, compensating for or offsetting them, where technically and financially feasible.

[5] Draft ESIA, Draft RAPs, draft mitigation plans and frameworks, documentation of the indigenous peoples consultation process. For High Risk projects, disclosure must be at least 120 days before the respective Executive Board meeting. For Green Climate Fund projects, the ESCMP will be disclosed 30 days prior to the GCF board meeting.

creation of construction pits and depressions can have potentially adverse impacts on adjacent local communities.

Vector-borne diseases are caused by pathogens transmitted by vectors such as mosquitoes and ticks. These diseases include Chagas disease, trypanosomasis, Japanese encephalitis, leishmaniasis, malaria, onchocerciasis, schistosomiasis and yellow fever.

Non-communicable diseases are illnesses that are not passed from person to person. They tend to be of long duration and generally slow progression and include cardiovascular diseases (for example, heart attacks and stroke); cancers; chronic respiratory diseases (for example, chronic obstructive pulmonary disease and asthma); mental and substance use disorders; digestive diseases; genito-urinary diseases; skin diseases; musculoskeletal diseases; and diabetes. Air pollution is a major contributor to non-communicable diseases.

Communicable diseases, also referred to as infectious diseases, are illnesses that are attributable to specific infectious agents or their toxic products that arise through transmission of these agents or their products from an infected person, animal or inanimate reservoir to a susceptible host. Transmission may occur either directly or indirectly through an intermediate plant or animal host, a vector or the inanimate environment. Examples of communicable diseases include waterborne disease (e.g. amoebiaisis, cholera and typhoid), water-related diseases (e.g. malaria and arboviral disease), food-borne diseases (e.g. botulism, hepatitis A and Creutzfeldt-Jakob disease), respiratory diseases (e.g. influenzas, COVID-19, SARS and tuberculosis) and sexually transmitted diseases (e.g. chlamydia, syphilis, HIV/AIDS and gonorrhoea). The spread of some communicable diseases can be difficult to control without a comprehensive approach involving national and local governments; some require the support of international health agencies. As is clear now from the COVID-19 outbreak, communicable diseases can pose a risk to the viability of business due to restrictions on travel; the availability of labour; the productivity of the workforce; or even the customer base.

In the agriculture sector, the risk of communicable disease is exacerbated by the involvement of migrant workers.[6] While subsistence farming is mainly carried out by a family unit, most larger-scale agricultural projects employ migrant or seasonal workers at some or all stages of the cropping, livestock or production cycle. Construction of agricultural infrastructure such as access roads, small dams and irrigation schemes, processing plants, etc. also often involves migrant workers. Many studies have shown that migrant farm workers are particularly at risk from contracting communicable diseases and causing the spread of these diseases for a number of reasons: health and safety standards for migrant workers on farms is often substandard, with workers living in cramped and unhygienic accommodation facilities; personal protective equipment is usually inadequate or not provided at all; workers are transported in overcrowded vehicles; migrants are often illegal and therefore have no recourse to state medical health-care facilities; there may be language and cultural barriers; and, there is often a lack of knowledge about communicable diseases and how to prevent them, especially sexually transmitted infections such as HIV, and workers are not given time off to seek medical help.

Box 1. Additional guidance on community exposure

- UNECE (2014), Protocol on Water and Health
- United Nations, *A UN Framework for the Immediate Socio-Economic Response to COVID-19* (New York, USA: United Nations, 2020), https://unsdg.un.org/resources/un-framework-immediate-socio-economic-response-covid-19
- World Bank Operations Policy and Country Services, *Managing the Risks of Adverse Impacts on Communities from Temporary Project-Induced Labour Influx* (Washington, D.C.: World Bank, 2016), http://pubdocs.worldbank.org/en/497851495202591233/Managing-Risk-of-Adverse-impact-from-project-labor-influx.pdf

[6] Also see the guidance provided on labour influx under paragraph 24.

- World Bank, *Social Impacts of Labor Influx: Phase II Portfolio Review* (Washington, D.C.: World Bank, 2018), http://www.plexusenergy.net/wp-content/uploads/2019/10/WB-Phase-2-Labour-Influx-Review-Public-Summary.pdf
- International Finance Corporation, *HIV/AIDS in the Workplace (Good Practice Note)* (Washington, D.C.: IFC, 2002), https://www.ifc.org/wps/wcm/connect/3e1c255f-045c-4995-8579-1dd890f79583/HIVAIDSEng.pdf?MOD=AJPERES&CACHEID=ROOTWORKSPACE-3e1c255f-045c-4995-8579-1dd890f79583-jqewska

(xlvi) Recommendations

All IFAD-funded projects, other than those determined during the screening process to be low risk, are required to assess their potential to expose communities to disease risk. This requires the borrower/recipient/partner to undertake health impact assessment as well as assess the risk of pandemic disease.

The types of projects that may contribute to increased health risks and, therefore, call for particular consideration, include those that create permanent or temporary water bodies that may increase incidences of water-related diseases, such as dams, irrigation schemes, construction pits, or other depressions; projects in areas that lack adequate sanitary wastewater discharge and treatment infrastructure; projects that may result in exposure to air pollution, hazardous materials, chemicals, particulate matter, or radiation, or that contribute to a higher incidence of non-communicable diseases; projects that exacerbate existing health conditions, affect mental health, or reduce the quality of nutrition; and projects that lead to greater risk of exposure to disease or health issues, for example, as a result of changes to mobility or behaviour.

During the initial development and implementation of a project, borrower/recipient/partner should consider:

- Integrating training on health issues into worker health and safety induction programmes and as a regular part of continuous worker training;
- Supporting local organizations and/or government initiatives on community health education, prevention and treatment programmes;
- Carrying out pre-employment health checks for all workers employed by primary contractors and subcontractors;
- Coordinating with local or regional public health officials on identification, reporting and surveillance and management of new cases, particularly in the case of an outbreak of a communicable disease in worker camps or at worksites. Take special measures to prevent the spread of HIV/AIDS and other sexually transmitted infections (STIs), both in the workforce and in the greater community; and
- Using their influence, position and strength to address risks to their own employees, contractors and their families and for the wider community, particularly at or around construction sites.

Project developers should also refer to the material presented in the guidance note for Standard 5: Labour and working conditions.

Box 2. Additional guidance on health impact assessment

- World Health Organization and United Nations Environment Programme, “The Health and Environment Linkages Initiative: Impact assessment,” WHO, https://www.who.int/heli/impacts/en/.
- International Council on Mining and Metals, *Good Practice Guide on Health Impact Assessment* (London: ICMM, no date), https://www.icmm.com/website/publications/pdfs/health-and-safety/792.pdf.
- International Finance Corporation, *Introduction to Health Impact Assessment* (Washington, D.C.: IFC, 2009), https://www.ifc.org/wps/wcm/connect/e7f68206-7227-4882-81ad-904cd6387bb7/HealthImpact.pdf?MOD=AJPERES&CACHEID=ROOTWORKSPACE-e7f68206-7227-4882-81ad-904cd6387bb7-jqeABQN.

- Asian Development Bank, *Health Impact Assessment: A Good Practice Sourcebook* (Mandaluyong City, Philippines: ADB, 2018), https://www.adb.org/sites/default/files/institutional-document/452951/health-impact-assessment-sourcebook.pdf

Paragraph 6: Nutrition

In order to ensure that IFAD-supported projects abide by the principles of "do no harm to nutrition," IFAD will require the borrower/recipient/partner, where appropriate, to undergo a systematic process in the planning phase to identify potential unintended negative impacts on nutrition based on the context within which the project is operating, and develop a mitigation plan.

(xlvii) Potential risks and impacts

IFAD's Nutrition Action Plan 2019-2025[7] sets out the framework to guide IFAD's actions to accelerate mainstreaming of nutrition into its investments. By investing in nutrition-sensitive agriculture and food systems, IFAD aims to improve the quality of the diet of its beneficiary rural populations. IFAD's primary objective is to ensure that acceptable, diverse, nutritious and safe foods, adequate to meet the dietary needs of people of all ages, are available and affordable at all times.

It is possible, however, that well-intentioned agricultural programmes and projects can have unintended consequences on nutrition. Examples include the following:

- Increasing the workloads of women and girls, who are also responsible for the care of young children, with potential negative effects on infant and young child caring practices;
- Investments and practices that reduce availability of nutritious food for personal consumption for poor vulnerable people;
- Exposing rural households to intersecting inequality (gender, age, poverty, location, etc.), especially the most vulnerable and marginalized rural households;
- Practices that favour food quantity to the detriment of food quality (nutrient value);
- Reduced accessibility of food due to increases in food prices resulting from price supports or other interventions;
- Negative impacts on food safety, e.g. contamination of water sources;
- Reduction in availability or access to natural food-related resources;
- Reduction in accessibility and affordability of nutritious foods; and
- Practices that may result in unhealthy diets or less diversified diets.

Recommendations

PDTs should assess potential risks to nutrition during project planning and development in order to avoid or mitigate them. If the screening procedure indicates that the project has a potential to negatively affect nutrition, then the following should be taken into account during the assessment and the design of the project:

- Projects should apply a nutrition lens in order not to be detrimental to nutrition status of the targeted population.
- Projects should be designed to serve the needs and priorities of the poor and most vulnerable rural households, including marginalized groups such as women and youth.
- Projects should be designed through consultations with key sectors such as agriculture, health, education, environment, women and social affairs and must involve stakeholders.

[7] IFAD, *IFAD Action Plan: Nutrition 2019-2025* (Rome: IFAD, 2019), https://www.ifad.org/en/document-detail/asset/41237860

- Agricultural projects geared towards the development of cash crops must offset the risk of reducing accessibility and availability of nutritious foods.
- Tools and methodologies must be put in place to allow project managers to monitor the potential negative impacts of their projects and to target them with adequate corrective measures. Project managers might, for example, include tools to track the price of essential foodstuffs (detecting the negative impacts of agricultural programmes on the availability of food resources and access thereto) or to monitor the schedule and workload of women.[8]
- Existing project matrices must take into account negative impacts on nutrition. The integration of negative impacts on food and nutrition security could, for instance, allow for a link between environmental degradation and nutritional consequences to be established.
- Nutritional education should be included in interventions, particularly with the objective of allowing the resulting new agricultural resources or increased income to contribute to better nutrition.
- Projects should promote agroecological practices.

Box 3. Additional guidance on nutrition

- Coordination SUD, *"First do no Harm": Identifying the risks of agricultural interventions for nutrition to avoid or reduce them* (C2A Notes) (Paris: AFD, 2014), https://www.coordinationsud.org/wp-content/uploads/20.-Note-C2A-n-20-ANG.pdf.

Paragraphs 7-9: Infrastructure design and safety

The borrower/recipient/partner will design, construct, operate and decommission the structural elements of the project in accordance with national legal requirements and the World Bank Group Environmental Health and Safety guidelines,[9] taking into consideration safety risks to third parties and affected communities (with particular attention being paid to the potential impacts/risks to disadvantaged and vulnerable groups). Structural elements of a project will be designed and constructed by competent professionals, and certified or approved by competent authorities.

Structural design will take into account climate change considerations, as appropriate. Where the project includes new buildings and structures that will be accessed by members of the public, the borrower/recipient/partner will consider the incremental risks of the public's potential exposure to operational accidents or natural hazards, including extreme weather events.

When structural elements or components of a project are situated in high-risk locations, including those with risk of extreme weather or slow onset events, and their failure or malfunction may threaten the safety of communities, the borrower/recipient/partner will engage one or more independent experts with relevant and recognized experience in similar projects, separate from those responsible for the design and construction, to conduct a review as early as possible in project development and throughout the stages of project design, construction, operation and decommissioning. Where the project involves a new or existing dam, the borrower/recipient/partner will provide sufficient resources to apply the requirements on safety of dams, as per the requirements that are established in paragraph 10 of this standard.

(xlviii) Potential Risks and Impacts

This requirement deals with the structural design of projects. The focus is therefore on existing or new buildings, earthworks, bridges, retaining walls, drainage ditches, roadways, water and irrigation channels, pylons, air-conditioning units, power stations, electrical utility lighting, transmission and distribution poles (and their potential need for relocation), and

[8] See also IFAD, *How to Do: Reducing Rural Women's Domestic Workload Through Labour Saving Technologies and Practices* (Rome: IFAD, 2016), https://www.ifad.org/documents/38714170/41246737/Reducing+rural+women%E2%80%99s+domestic+workload+through+labour-saving+technologies+and+practices/db859c93-9066-411a-ad40-a0204c98351c.

[9] International Finance Corporation, "Environmental, Health, and Safety Guidelines." IFC. https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/ehs-guidelines.

underground utilities. They would include other critical structures, for example, structures that are at risk for flooding. Risks will be specific to the type of project, and to its physical location. Examples related to type of project include:

- Water or irrigation canals, such as drowning, flooding, or water-related diseases;
- Waste disposal, such as toxicity, waste dump collapse, or air pollution;
- Quarries or excavation works, such as rock falls or hazardous equipment;
- Water and sanitation services, such as contaminated water or spread of disease;
- Electricity supply, which may result in electric shock from electrical cabinets or cables;
- Service providers, which may use their service for the purpose of financial, sexual or other exploitation, particularly of vulnerable groups such as women, children and the elderly.

Examples of high-risk locations include those where communities are vulnerable to failure or malfunction of structural elements of the project because of a heightened level of environmental risk, for example, from earthquakes, landslides, drought, floods, cyclones, wildfires and storms.

(xlix) Recommendations

If the design of a project indicates that new infrastructure will be an important component – especially if it is proposed for a high-risk location – and their failure or malfunction may threaten the safety of communities, the borrower/recipient/partner should engage one or more independent experts with relevant and recognized experience in similar projects, separate from those responsible for the design and construction, to conduct a review as early as possible in project development and throughout the stages of project design, construction, operation and decommissioning. Such reviews should take into account relevant engineering safety considerations, such as geotechnical, structural, electrical and mechanical specifications.

In situations where the governmental regulatory capacity to provide competent authority certification may be limited, external professionals who are competent to certify or approve structural elements of the project should maintain independence from the project implementer, as they are undertaking inherently governmental functions. Similar considerations apply in determining whether third-party life and fire safety audits are required.

Where the project involves a new or existing dam, the borrower/recipient/partner will provide sufficient resources to apply the requirements on safety of dams, as per the requirements that are established in paragraphs 10-16 of this standard.

Paragraphs 10-16: Dams
Because there can be major consequences – including loss of life or injury, property losses and environmental damage, enhanced diseases such as malaria – if a dam malfunctions or fails, IFAD places the utmost importance on the safety of new dams that it finances, as well as on the safety of existing dams upon which an IFAD-assisted project is directly dependent. To achieve this objective, IFAD will require the financing agreement to contain a covenant to ensure that dams and reservoirs are designed, constructed, operated, maintained, superintended and eventually decommissioned to the highest possible standard of safety appropriate to their size and hazard potential, to protect people, property and the environment from the harmful effects of possible failure.

(l) Potential Risks and Impacts

Considerable extra guidance on dams, their safety and relevant safeguard issues is included in Annex 1 to this Guidance Note.

Dams provide a variety of benefits, including water for irrigation, livestock and domestic supplies and fisheries, as well as flood mitigation – and all these activities have had

significant impacts on poverty reduction. But too often in the past dams have also created adverse social and environmental impacts. Moreover, dams are normally threatened by various forces that can cause failure and these generally continue to be active over the entire life of the dam. IFAD-assisted projects often include the construction of a new dam, or directly depend on an existing dam, either of which could result in adverse impacts or involve a risk of failure.

The potential adverse environmental and social consequences of dams are numerous and varied, and include direct impacts to the biological, chemical and physical properties of rivers and riparian environments. Dams act as barriers to the upstream and downstream movement of migratory river animals such as fish. They also act as barriers for sediment transport, trapping sediment that would otherwise naturally replenish downstream ecosystems. Dam construction for irrigation usually results in the loss of natural ecosystems in favour of irrigated farming. The control or attenuation of floods by a dam may destroy livelihoods that were previously based on flood recession cropping and/or dry-season grazing that depended on seasonal flooding of the river floodplain.

(Ii) Recommendations

If the screening procedure indicates that a project may involve the construction of a dam or the rehabilitation of an existing dam, then borrower/recipient/partner will be required to undertake preparatory work that is defined by the size and location of the dam.

IFAD distinguishes between three sizes of dam, namely "small," "medium" and large," which are defined as follows:

- Small: any dam of 5 m or less in height;
- Medium: any dam between 5 m and 15 m in height [10]; and
- Large: any dam over 15 m in height

For small dams, generic dam safety measures (such as ensuring adequate spillway capacity, freeboard and protection of the downstream outfall, an adequate foundation key/cut-off, protection of the outlet works from differential settlement and leakage, upstream and downstream slopes appropriate to the properties of the material used for construction, adequate drainage, avoidance of unsuitable materials and adequate compaction under competent supervision) are usually all that is required11. Nevertheless, the borrower/recipient/partner should provide IFAD with details of the qualifications and experience of the civil engineer responsible for supervision for review.

The requirements for a medium-sized dam are more stringent. For such dams, IFAD requires that a suitably qualified and experienced independent consulting engineer, acceptable to IFAD, be engaged by the borrower/recipient/partner to provide recommendations directly to the implementing agency on all aspects of the dam.

In the event that IFAD finances (or cofinances) a large dam, or finances a project that relies on the construction of a large dam, IFAD will require:

- ensure that Free Prior Informed Consent has been obtained;
- reviews by an independent panel of experts (the panel) of the investigation, design and construction of the dam and the start of operations;
- preparation and implementation of detailed plans for construction supervision and quality assurance, instrumentation, operation and maintenance and emergency preparedness; and
- periodic safety inspections of the dam after completion.

IFAD requires that an emergency preparedness plan[12] be prepared for all dams with a "significant" or "high" hazard potential. This plan should specify the roles of parties

[10] In addition any medium-sized dam shall be treated as a large dam if it meets at least one of the following criteria: (i) its crest length is 500 m or greater; (ii) its reservoir capacity is 3 million m^3 or greater; (iii) its maximum incoming flood is 2,000 m^3/s or greater; or (iv) it is located in a zone of high seismicity.

[11] Food and Agriculture Organization of the United Nations, *Manual on Small Earth Dams: A guide to siting, design and construction*. FAO Irrigation and Drainage Paper No. 64. (Rome: FAO, 2010), www.fao.org/docrep/012/i1531e/i1531e00.pdf.

[12] See "Paragraph 18: Emergency preparedness".

responsible for the safety of a dam if and when failure is considered imminent, or when the expected operational flow release threatens downstream life, property or economic operations. The plan will include the following items:

- clear statements on the responsibility for dam operations decision-making and for related emergency communications;
- maps outlining inundation levels for various emergency conditions;
- flood warning system characteristics; and
- procedures for evacuating threatened areas and mobilizing emergency forces and equipment.

The broad framework of the plan and an estimate of the cost of preparing the plan in detail should be provided to IFAD prior to finalization of project design. The plan itself should be prepared during implementation and given to the panel of experts (in the case of a large dam) and IFAD for review not later than one year before the projected date of initial filling of the reservoir.
Guidance on dams, their safety and relevant safeguard issues is included in annex II to this guidance note.

Box 4. Additional guidance on dams

- Annex 2 to this Guidance Note.
- World Bank, *Environmental & Social Framework for IPF Operations: ESS 4: Community health and safety* (Guidance Note for Borrowers) (Washington, D.C.: World Bank, 2018), annex 1: Safety of Dams, http://documents1.worldbank.org/curated/en/290471530216994899/ESF-Guidance-Note-4-Community-Health-and-Safety-English.pdf.
- Food and Agriculture Organization of the United Nations, *Manual on Small Earth Dams: A guide to siting, design and construction* (Rome: FAO, 2010), http://www.fao.org/3/i1531e/i1531e00.pdf.

Paragraph 17: Hazardous materials

IFAD will ensure that measures are taken to avoid or minimize community exposure to hazardous materials that be used during project activities. Special care shall be taken to avoid exposure to health- and life-threatening hazards by modifying and/or eliminating the potential condition or material that may cause such hazards. Appropriate due diligence shall be undertaken to control the safety of deliveries and transportation and disposal of hazardous materials and wastes.

(Iii) Potential Risks and Impacts

The issue of addressing the risk of hazardous materials to the health and safety of workers is dealt with in standard 5. Provisions in this standard address community exposure.
In addition, borrowers/grant recipients should evaluate the risks posed by the management of hazardous materials that may extend beyond the project's property boundary and into areas inhabited or used by the community.
Some IFAD-funded projects will involve the use, transportation, storage and disposal of chemicals and hazardous materials. The World Bank Group Environmental, Health, and Safety Guidelines define hazardous materials and wastes as presenting a risk to human health, property and the environment due to their physical or chemical characteristics. These can include: explosives; compressed gases, including toxic or flammable gases; flammable liquids; flammable solids; oxidizing substances; toxic materials; radioactive material; corrosive substances; chemical fertilizers; soil amendments; chemicals, oils and other hydrocarbons; paints; pesticides; herbicides; fungicides; asbestos; metal waste; hospital and pharmaceutical waste; used batteries; radioactive medical waste; fluorescent light bulbs and ballasts; by-products of plastic incineration at low temperatures; and PCBs in electrical equipment.

When improperly handled, these materials pose a potential hazard to the air, soil, and water and to human health and safety. These materials pose significant risks from spills, explosions or releases. Acute exposure can produce headaches, nausea, eye, mouth and lung irritation and, in extreme cases, death (e.g., from sour gas releases). Long-term exposure to toxic chemicals can cause birth defects and chronic diseases such as cancer and respiratory illnesses.

While projects often provide personal protective equipment and educate workers in preventing exposure, similar measures for non-worker populations (including the families of workers) are uncommon. Non-sanctioned use of chemicals or hazardous materials, or the containers used to store these chemicals, can also pose threats. For example, community members may use old fertilizer containers for water storage without being aware of potential health risks.

In general, potential negative impacts affecting the public may be triggered by the following:

- Release of and exposure to hazardous materials or chemicals (e.g. seepage into groundwater, contamination of surface water supplies);
- Waste disposal (e.g. unsanitary landfills);
- Construction activity impacts, such as increased noise, dust and/or light levels throughout the day and for extended periods;
- Transportation-induced changes (e.g. changes in nature and volume of traffic provoking increase in levels of noise, dust and respiratory problems, environmental pollution, changes in nature, speeds and volumes of traffic and road accidents, etc.)
- When new building and structures will be accessed by members of the public, the promoter will consider incremental risks of the public's potential exposure to operational accidents and/or natural hazards and ensure consistency with the principle of universal access;

Agribusiness projects and small-scale farming pose particular threats to local communities from exposure to pesticides and other chemicals. In both activities, it is important to consider different possible exposure pathways when assessing and preventing negative health effects, as follows:

- Worker exposure to pesticides can result from lack of awareness of the risk, improper handling and use, and inadequate use or lack of availability of protective equipment.
- Families, and particularly children, can be at risk from secondary, or "take-home" exposure due to lack of awareness; wearing contaminated work clothes and shoes at home; and lack of facilities at workplaces for bathing and washing hands or for storing work clothes and changing into clean clothes and shoes before going home.
- Small-scale farmers generally work at or near the home and can contaminate themselves and their families from improper handling, applying, and/or storing pesticides (e.g., applying at a higher dose than required, not wearing protective gloves, or storing pesticide bottles in the kitchen), use of illegal and highly toxic pesticides, lack of awareness and training on the dangers of pesticides, and inability to afford protective equipment.
- Nearby community exposure to pesticides can result from air, water, and soil contamination due to improper application (e.g., spraying during windy or rainy weather, run-off from treated crop fields into nearby rivers, or discarding pesticide bottles on roads), as well as handling and consuming crops with pesticide residues. Health risks from consumer exposure to agrochemicals are of particular concern in areas that continue to use products that the World Health Organization has deemed hazardous to health.

Because some hazardous materials may pose a significant risk to the community at the end of their life cycle, as may be the case with the use of asbestos in building materials or PCBs in electrical equipment, the Standard requires that borrowers/grant recipients make

reasonable efforts to avoid their use, unless there are no feasible alternatives or the borrower/grant recipient can ensure their safe management. The safe management of hazardous materials should extend into the decommissioning phase of the project where remaining wastes, including demolition wastes, must be safely managed according to the waste management requirements of Standard 2.

(Iiii) Recommendations

Box 5 presents links to detailed technical guidance on management of hazardous materials. Worthy of special mention is the World Bank Group Hazardous Materials Management Guidelines. These outline general hazardous materials management issues such as: hazard assessment; potential management actions; preventive measures; and, control measures. The Guidelines also outline the management of "major hazards."

Where the screening process indicates that hazardous chemicals or materials will be required as part of the project, the borrower/recipient/partner should assess community health and safety risks and impacts from the use of such chemicals and materials by mapping all the potential pathways by which community members could be exposed to these substances. Depending on the relative proximity of communities to the project and the risk of chemical exposure, a health risk assessment or health impact assessment may be used to assess risk. Box 2, above, lists additional guidance on undertaking health impact assessment.

A risk assessment of this type should identify all potential routes of chemical and hazardous material exposure. It should assess the risk of worker exposure, scenarios that involve accidental release or spills that could lead to acute levels of exposure, and non-sanctioned use of hazardous materials or containers. The type, concentration, and quantity of hazardous materials used on the project, and the risks they pose to workers and community members, should be clearly identified. The borrower should not only consider the direct effects of chemicals but also the effects of indirect exposure on workers' families and the broader community through contact with contaminated clothing, fumigation, etc.

When possible, the borrower/recipient/partner should take measures to reduce or eliminate risks of chemical exposure. In this regard, the borrower/recipient/partner should conduct training programmes for employees and the community and provide protective equipment and proper signage. For agricultural workers, particularly in small-scale farming operations, it is important to conduct a survey of knowledge, attitudes and practices before introducing agrochemicals. Communication and education outreach for workers, community members and particularly children should also be carried out. The borrower/recipient/partner should inform local emergency responders of risks and collaborate with them in emergency response and planning. A monitoring plan, an emergency plan (including spill prevention) and a long-term plan for containing and disposing materials should be developed and carried out by the borrower/recipient/partner. All incidents involving exposure and release of chemicals should be tracked over time.

The borrower/recipient/partner should consider taking the following actions:

- Raise awareness among agricultural families working for agribusiness and small-scale farms of pesticides used locally, the dangers and risks of pesticide exposure and how people may be exposed to pesticides.
- Train workers on the signs and symptoms of acute and chronic poisoning from pesticides, proper pesticide handling, application, storing practices and decontamination procedures before leaving the workplace.
- Assist workers and families in identifying culturally appropriate and economically feasible measures to reduce or prevent pesticide exposure, such as selecting less toxic or non-toxic pest control measures (e.g., integrated pest management), storing pesticides in a secure place out of reach of children, and washing work clothes separately from general household laundry. Integrated pest management (IPM) is used worldwide to reduce reliance on costly pesticides by using biological control methods, including natural predators, to reduce pest damage. IPM does not call for no pesticide use, but rather, the use of smaller quantities or less toxic chemicals, combined with better crop management or biological

methods. Training small-scale farmers in IPM techniques has become a part of numerous international development programmes.

Where a health risk assessment/health impact assessment indicated that the risks and impacts of community exposure to hazardous materials and wastes are potentially significant, it may be appropriate to develop a hazardous waste management plan or a hazardous materials management plan. The hazardous materials management plan should set out, at a minimum, the organizational arrangements and responsibilities for identification, storage, handling, use and disposal of hazardous material, including the processes for monitoring and managing the risks and for implementing the necessary mitigation measures throughout the project life cycle.

Box 5 presents links to detailed technical guidance on management of hazardous materials.

Box 5. Additional guidance on dealing with hazardous materials

- International Finance Corporation, "Environmental, Health, and Safety Guidelines," IFC, https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/ehs-guidelines
- International Finance Corporation, *Environmental, Health, and Safety (EHS) Guidelines: Hazardous Materials Management* (Washington, D.C.: IFC, 2007), https://www.ifc.org/wps/wcm/connect/90231ba8-5bb3-40f4-9255-eaf723d89c32/1-5%2BHazardous%2BMaterials%2BManagement.pdf?MOD=AJPERES&CVID=ls4XLqS

Paragraph 18: Emergency preparedness

When some elements of risk or negative impact still exist despite adequate attempts to avoid or minimize them, the borrower/recipient/partner informs affected communities of the risk or negative impact in a socially and culturally appropriate manner. The borrower/recipient/partner also establishes adequate socially and culturally appropriate emergency preparedness and response plans so that it is prepared to respond to accidental and emergency situations that may pose a threat to local communities, and to provide affected communities with appropriate information about emergency preparedness and response activities, resources and responsibilities.

If the screening process indicates that borrower/recipient/partner will be engaged in projects that have the potential to generate emergency events, then a health risk assessment/health impact assessment should be undertaken.

Based on the results of this assessment, the borrower/recipient/partner should prepare an emergency response plan (ERP) in coordination with the relevant local authorities and the affected community. An ERP should include the following elements:

- Administrative details (policy, purpose, distribution, definitions, etc.);
- Engineering controls (such as containment, automatic alarms and shut-off systems) proportionate to the nature and scale of the hazard;
- Identification of and secure access to emergency equipment available on-site and nearby;
- Notification procedures for designated emergency responders;
- Media channels for notification of the affected community and other stakeholders;
- A training programme for emergency responders, including drills at regular intervals;
- Public evacuation procedures;
- Designation of a coordinator for ERP implementation; and
- Measures for restoration and clean-up of the environment following any major accident.

Paragraph 19: Impacts on ecosystem services
Adverse impacts on community health and safety sometimes occur as a result of impacts on communal ecosystem services. Measures are required to be taken in order to avoid or minimize adverse impacts on ecosystems services that may arise from project activities. Special attention will be paid to avoid causing or exacerbating potential adverse impacts on marginalized and disadvantaged groups. Where appropriate, potential risks and adverse impacts on ecosystem services that may be exacerbated by climate change are identified in the screening and assessment phase of the project cycle as required by Section 2 of SECAP.

Potential Risks and Impacts

As defined in Standard 1 and Standard 2, ecosystem services are the benefits that people derive from ecosystems. The provisioning services that ecosystems provide include the products people obtain from the ecosystems, such as food, fresh water, timbers, fibres and medicinal plants. Regulating services of ecosystems are the benefits people obtain from the regulation of ecosystem processes, such as surface water purification, carbon storage and sequestration, climate regulation and protection from natural hazards.

A project's direct impacts on ecosystem services may result in adverse health and safety risks to and impacts on affected communities. For example, land-use changes or the loss of natural buffer areas, such as wetlands, mangroves and upland forests, which mitigate the effects of natural hazards such as flooding, landslides and fire, may result in increased vulnerability and community safety-related risks and impacts. The degradation of natural resources, such as adverse impacts on the quality, quantity and availability of fresh water, may result in health-related risks and impacts.

Recommendations

If the screening procedure indicates that a project may significantly affect ecosystems and ecosystems services, then the borrower/recipient/partner should identify and assess risks. The project should seek to avoid adverse impacts. If this is not possible, the borrower/recipient/partner should implement appropriate mitigation measures. More detail on dealing with threats to ecosystem services is provided in Standard 1: Biodiversity conservation and Standard 2: Resource efficiency and pollution prevention and in their accompanying guidance notes.

Paragraphs 20-21: Gender-based violence including sexual exploitation and abuse
The borrower/recipient/partner will assess risks of project-related gender-based violence, risks of sexual harassment, sexual exploitation, trafficking and abuse to project-affected people and communities. Where appropriate, the borrower/recipient/partner will adopt specific measures to prevent and address these risks, including the provision of confidential channels for reporting incidents and providing support. In line with the *IFAD Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse*,[13] in cases where incidences of gender-based violence and/or sexual exploitation and abuse occur, there will be established reporting and response protocols in place, with specific procedures for gender-based violence including confidential reporting with safe and ethical documenting of such cases, that indicate when and where to report incidents, and what follow-up actions will be undertaken. In addition, there will be modalities to provide services and redress to survivors.

(liv) Potential Risks and Impacts

Violence against women and girls is one of the most oppressive forms of gender inequality and stands as a fundamental barrier to equal participation of women and men in social, economic and political spheres. Such violence impedes gender equality and the achievement of a range of development outcomes. Gender-based violence is a complex and multifaceted problem that cannot effectively be addressed from a single vantage point. The

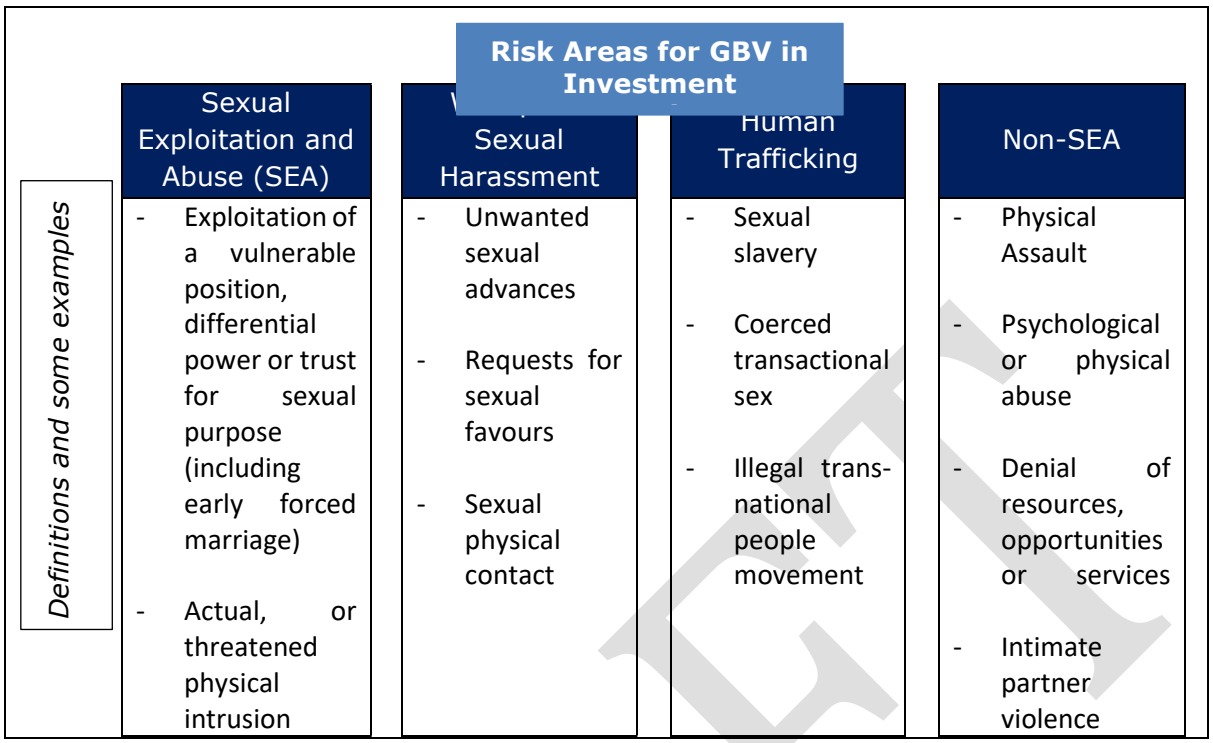
[13] IFAD, *IFAD Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse* (Rome: IFAD, 2018), https://www.ifad.org/en/document-detail/asset/40738506

prevention of and response to such violence require coordinated action across multiple sectors. In certain cases, IFAD-funded projects can increase the risk of several forms of gender-based violence, in particular sexual exploitation and abuse, and sexual harassment, in both public and private spaces, by a range of perpetrators and in a number of ways. The World Bank's Good Practice Note, which is referenced in Box 6, outlines the following examples:

- Projects that involve an influx of workers may increase the demand for sex work—even increase the risk for trafficking of women for the purposes of sex work—or the risk of forced early marriage in a community where marriage to an employed man is seen as the best livelihood strategy for an adolescent girl. Furthermore, higher wages for workers in a community can lead to an increase in transactional sex. The risk of incidents of sexual activity between labourers and minors, even when it is not transactional, can also increase.
- When land redistribution occurs—for example due to resettlement for civil works—women may be extremely vulnerable to gender-based violence. This is particularly true in countries where the legal system precludes women from holding land titles.
- Projects create changes in the communities in which they operate and can cause shifts in power dynamics between community members and within households. Male jealousy, a key driver of gender-based violence, can be triggered by labour influx on a project when workers are believed to be interacting with community women. Hence, abusive behaviour can occur not only between project staff and those living in and around the project site, but also within the homes of those affected by the project.
- Job opportunities for women and girls can be limited due to a lack of appropriate transportation options. When IFAD-financed projects create job opportunities for women within projects, teams should be aware that travelling to and from work in some settings can force women and girls to use unsafe, poorly-lit commuter routes or unsafe public transport which can expose them to harassment and abuse. The increased risk of experiencing violence may thwart their uptake of added economic opportunities.
- Projects promoting women's economic empowerment, a greater voice and better decision-making, may increase … at least in the short run … gender-based violence from their intimate partners as well as community members. This originates from the power dynamics in households and communities where the gender roles are defined and enforced by social norms, and cultural beliefs which enforce the roles of men as providers and women as caretakers. Changes in these roles and power dynamics as women increase their economic contributions to households, could lead to backlashes.

The World Bank Good Practice Note also distinguishes between four broad categories of gender-based violence that may be exacerbated by projects. These are shown in Figure 1.

Figure 1- Types of Gender-based Violence that May Be Exacerbated by IFAD-funded Projects



Source: adapted from World Bank (2020), Environmental and Social Framework for IPF Operations. Good Practice Note: Addressing Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) in Investment Project Financing involving Major Civil Works. Page 6.

(iv) Recommendations

The *IFAD Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse* states that "Social, environmental and climate risk assessments are conducted for each IFAD-funded project at an early stage of design and include a sexual exploitation and abuse risk assessment. This risk assessment identifies the potential sexual exploitation and abuse risks associated with the project, determines relevant measures to avert the risks, and identifies service providers for victims of sexual exploitation and abuse. Additionally, sexual exploitation and abuse-related issues are included in supervision and support missions."

During project design, and in the relevant environmental and social assessment documentation triggered by the screening procedure, borrower/recipient/partner should undertake the following three steps.

13. **Identification and assessment of risks**

During project preparation, identification and assessment of the risks of gender-based violence should consist of the following steps:

- Undertake social risk assessment of community-level risks.
- Assess capacity and availability of quality, safe and ethical services for survivors.
- Review ability of the client to respond to sexual exploitation and abuse risks.
- Rate the project for overall risk
- Establish procedures to review and update risk assessments during project implementation.

The understanding should be that risk assessment is a continuous process and should take place throughout the project cycle, as sexual exploitation and abuse can occur at any moment.

14. **Addressing risks**

Throughout project implementation, the borrower/recipient/partner should apply the following mitigation, reporting and monitoring measures:

- Based on risks identified, identify the corresponding mitigation measures and implement actions suggested to mitigate project-related risk of gender-based violence in the project area.
- Monitor the effectiveness of the mitigation measures and adapt as appropriate.
- Create an enabling environment for women's participation through strategic and behaviour-change communication, targeting religious and traditional leaders and community members.
- Ensure safety and security of women's groups in the target communities.
- Find age-, gender-, and culturally appropriate ways to facilitate participation of women.
- Enhance community awareness, capacities and strengths of project beneficiary communities, implementing partners and government staff in preventing and reducing risks of gender-based violence.
- Map the existence of and gaps in services for survivors.

15. Response

During the implementation of a project, the borrower/recipient/partner should undertake the following initiatives in response to cases of gender-based violence:

- Provide essential services for survivors.
- Report any case through a grievance mechanism, keeping survivor information confidential and anonymous.
- Document and close cases brought through the grievance mechanism.

Where appropriate, the risks and mitigation measures relating to project workers should also be reflected in the labour management procedures for the project, as discussed in standard 5 and its accompanying guidance note.

Box 6. Additional guidance on gender-based violence, sexual exploitation and abuse

- World Bank, *Environmental and Social Framework for IPF Operations: Addressing sexual exploitation and abuse and sexual harassment (SEA/SH) in investment project financing involving major civil works* (Good Practice Note) (Washington, D.C.: World Bank, 2020), http://pubdocs.worldbank.org/en/632511583165318586/ESF-GPN-SEASH-in-major-civil-works.pdf.
- World Bank, Global Women's Institute and Inter-American Development Bank, *Violence Against Women and Girls (VAWG) Resource Guide; Introduction* (Washington, D.C.: World Bank, 2014), https://www.worldbank.org/content/dam/Worldbank/document/Gender/VAWG%20Resource%20Guide%20Introduction%20July%202014.pdf.
- World Bank, Operations Policy and Country Services, Managing the Risks of Adverse Impacts on Communities from Temporary Project-Induced Labour Influx (Washington, D.C.: World Bank, 2016), http://pubdocs.worldbank.org/en/497851495202591233/Managing-Risk-of-Adverse-impact-from-project-labor-influx.pdf.
- United Nations. *Glossary on Sexual Exploitation and Abuse: Thematic glossary of current terminology related to sexual exploitation and abuse (SEA) in the context of the United Nations*, Second Edition (New York, USA: United Nations, 2017), https://hr.un.org/sites/hr.un.org/files/SEA%20Glossary%20%20%5BSecond%20Edition%20-%202017%5D%20-%20English_0.pdf.
- Inter-Agency Standing Committee, *Guidelines for Integrating Gender-Based Violence Interventions in Humanitarian Action: Reducing risk, promoting resilience and aiding recovery* (New York, USA: IASC, 2015), https://gbvguidelines.org/wp/wp-content/uploads/2015/09/2015-IASC-Gender-based-Violence-Guidelines_lo-res.pdf.

Paragraphs 22-23: Traffic and road safety
Any IFAD-supported project should include responsibilities for the identification, evaluation and monitoring of potential traffic and road safety risks to affected local communities and other road users throughout the project life cycle. The borrower/recipient/partner will be required to incorporate technically and financially feasible road safety measures into the project design to prevent and mitigate potential road safety risks. Where appropriate the borrower/ recipient/partner will undertake a road safety assessment (for each phase of the project) and will monitor incidents and accidents (and in turn prepare regular reports based off of such monitoring). The borrower will use the reports, and the corresponding identified safety risks/breaches, to put in place measures that will resolve them. For projects that operate construction and other equipment on public roads, or where the use of project equipment could have an impact on public roads or other public infrastructure, the borrower/recipient/partner will take appropriate safety measures to avoid the occurrence of incidents and accidents to members of the associated public, given the operation of such equipment.

(Ivi) Potential Risks and Impacts

Traffic accidents have become one of the most significant causes of injuries and fatalities among members of the public worldwide. In agriculture, a prime cause of traumatic injury is from upgrading rural roads. While the aims of these road improvement projects are to facilitate access to markets and provide quicker and easier modes of transport, the reality is that the new roads typically do not cater for the large numbers of pedestrians and cyclists who use them and who are placed at much greater risk of personal injury due to speeding traffic.

Traffic safety should be promoted by all project personnel during movement to and from the workplace, and during operation of project equipment on private or public roads. Prevention and control of traffic related injuries and fatalities should include the adoption of safety measures that are protective of project workers and of road users, including those who are most vulnerable to road traffic accidents.

Projects may involve construction of new roads or rehabilitation or structural changes/improvements to existing roads, which can create traffic and road safety risks. Indirect changes to traffic flow or volume on an existing road may also create risks, for example, when construction of a new bypass leads to increased traffic speeds on local roads due to congestion. Communities affected by traffic and road safety issues include those alongside or bisected by or fragmented by a road associated with the project. Shops, stalls and residential properties may all be affected, along with people present on the road itself, whether non-motorized or motorized.

The degree of risk relates to the following:

- Nature of the local community traffic that uses the same roads as the project (e.g., mixed use traffic involving pedestrians, motorcycles, animals, etc.).
- Condition of the road infrastructure.
- Likelihood that community members will follow or respect project-related road signs.
- Familiarity of local people with heavy motorized vehicles.
- Presence of areas in and near the project, such as schools and markets, where large numbers of people gather. For example, heavy-truck traffic on a rural road used by pedestrian, bicycle and motorcycle traffic would be likely to present a significant community health and safety risk.

As infrastructure projects are often located in rural and peri-urban areas with limited public transportation and high pedestrian and bicycle traffic, risks from traffic accidents can often be one of the most significant project impacts. Although traffic accidents may not occur frequently, their devastating effect on individuals, families and communities can be significant and long-lasting.

Other potential negative health effects from traffic associated with civil works include increased noise, vibrations, dust and air pollution; these particularly affect homes and vendors along the road. When roads are widened, they reduce the space for small

businesses and increase health and safety risks associated with potential spills of dangerous substances transported to and from the worksites.

(lvii) Recommendations

It is important to assess and evaluate potential community health and safety risks associated with the construction and upgrading of road infrastructure and project-related traffic both during construction and as a result of likely increases in traffic once the road has been completed.

If the screening process indicates that a project may involve new roads, road improvements, traffic management, increasing traffic speed and other forms of transport that may change the traffic mix, then a road safety assessment should be undertaken as part of whatever level of environmental and social impact assessment is required.

The road safety assessment should consider risks to pedestrians and to important aspects of community cohesion, for example, from bisecting communities or pedestrian routes, creating transport nodes or affecting access to or traffic on a road. Both construction-related and operational risks should be considered. The requirements for vulnerable groups, such as adequate lighting in public areas, suitable ablution facilities near transport and adequate road crossing structures should all be taken into consideration in the assessment.

Details of the road-safety measures should be set out in the road-safety assessment or incorporated in a plan relating to health and safety or traffic management. Such plans set out specific safety measures, for example, measures necessary to manage traffic speeds or provide controls for single-lane two-way traffic to address noise and control dust and drainage issues.

Recommended measures that may be included in management plans emanating from road-safety assessments would ordinarily include:

- Minimizing pedestrian interaction with construction vehicles;
- Improving signage, visibility and overall safety of roads, particularly along stretches located near schools or other locations where children may be present;
- Collaborating with local communities on education about traffic and pedestrian safety (e.g. school education campaigns);
- Coordinating with emergency responders to ensure that appropriate first aid is provided in the event of accidents;
- Using locally sourced materials, whenever possible, to minimize transport distances;
- Locating associated facilities such as worker camps close to project sites and arranging worker bus transport to minimize external traffic;
- Limiting hours of project traffic to avoid hours of peak local use, especially around schools and markets;
- Using alternative routes to avoid heavily used routes;
- Implementing community traffic safety awareness programmes;
- Ensuring regular vehicle maintenance;
- Introducing speed control measures;
- Implementing controls on the weight of loads carried in trucks;
- Applying strict controls to prevent the carrying of unauthorized passengers on project vehicles;
- Ensuring legal compliance, especially for the transportation of dangerous substances;
- Applying dust management plans; and
- Introducing mandatory driver safety training, including strict bans on the consumption of alcohol and drugs and a prohibition on the use of mobile phones while driving.

Box 7. Additional guidance on traffic and road safety
• World Bank, *Environmental and Social Framework for IPF Operations: Road safety* (Good Practice Note) (Washington, D.C.: World Bank, 2019), http://pubdocs.worldbank.org/en/648681570135612401/Good-Practice-Note-Road-Safety.pdf

Paragraph 24: Influx of project workers
IFAD will ensure that appropriate mitigation and management measures are taken to address risks and potential impacts on health and safety of communities arising from the influx of project-related workers in a given area. Such risks and impacts may be associated with changes in population composition, health implications and exposure to communicable diseases, threats of sexual violence and harassment, crime, and increased vulnerability of communities due to increased pressure on already scarce natural resources. Measures shall be taken that seek to protect community members from such risks.

(lviii) Potential Risks and Impacts

Labour influx is when all or part of a labour force for a project comes from outside the area of the project. In some cases, other people may follow the incoming workforce with the aim of selling them goods and services or in pursuit of job or business opportunities.
A project's workforce and worker camps can directly or indirectly put communities at risk, particularly when they are in close proximity. Large and typically all-male workforces with disposable income moving into impoverished areas have been associated with population influx and increased prostitution, availability of alcohol and drugs, crime and reduced security.
Specific community health and safety issues can include the following: introduction of vector-related diseases, such as malaria and dengue, particularly in tropical areas; the spread of infectious diseases, such as HIV, AIDS; syphilis, tuberculosis; epidemic diseases such as COVID-19; unwanted pregnancies; worker-community conflict; a decline in community safety related to an increase in prostitution, alcohol, and drug abuse; and pressure on existing health infrastructure and services, including emergency response capacity.
Some of these impacts can be attributed directly to project workers. However, these impacts are more pronounced when the presence of the workforce results in population influx, as follows:

- A project and its workers (predominantly male), particularly in remote or economically deprived areas, attracts outsiders looking for employment, opportunities to provide goods and services, sex workers, etc.
- The potential risks and impacts are greater in remote areas, where most workers are housed in construction especially built for them, and where they are significant ethnic, linguistic or other differences between them and the local population.
- The greater the size and scale of the project and its workforce, the greater the likelihood that population influx into the project area could be sizeable and significant.
- The greater the population influx, the greater the likelihood and demand for alcohol and drugs, the risk of introducing and spreading infectious diseases, and pressures on local health clinics and hospitals and water, sanitation and other services.

(lix) Recommendations

If the screening process indicates that labour influx may be an issue, then the relevant level of environmental and social assessment should take the following issues into account, at a minimum:

- Threats to community safety and the risk of conflicts between local people and outside workers;
- Health risks to communities in relation to the spread of STIs and other communicable diseases (HIV/AIDS, TB, coronaviruses); and
- Pressures on local health services and infrastructure.

When analysing the baseline conditions of the community as part of the impact assessments it is necessary to consider the size and location of communities in relation to the worker camps, local socio-economic conditions, local and regional employment opportunities for men and women, local disease profiles, cultural norms regarding the use of contraception, the capacity of the local health-care system and whether social problems exist in the region related to alcoholism, drug use, prostitution, crime and violence.
In addition, the social-impact analysis should consider the following: size of the workforce, origins of the workers, length and nature of their contracts (contractors and subcontractors) and the type of training and management measures (e.g. code of conduct, camp requirements, etc.) they should receive in order to ensure the health and safety of workers and local communities. The following management measures could be considered to address potential impacts from the presence of workforces and worker camps.

Influx

- Disseminate clear employment and contracting requirements to manage expectations.
- Adopt clear policies for hiring away from the project site (no hiring at the gate).
- Increase local sourcing for direct employment and the provision of goods and services, thus reducing influx into the project area.
- Establish exclusion zones around the project site and worker camps to limit illicit activity around project infrastructure and prevent establishment of follower camps.
- Institute policies restricting worker contact with the community.

(lx) Community safety

- Establish a worker code of conduct that requires respect for local communities; appropriate behaviour during and outside working hours; prohibitions on carrying firearms, knives or other weapons; prohibitions on the possession or consumption of alcohol and drugs; prohibitions on hunting, collecting animals or plants, especially in remote areas: and enforcement of penalties in the event of worker-community conflicts, petty crime, etc.
- Put in place zero-drug and alcohol tolerance policies.
- Deposit worker payments directly into bank accounts instead of paying workers in cash to reduce the risk of robbery and assaults on workers and the incentive for workers to spend their earnings on gambling, drinking, prostitutes, etc.
- Provide transport to take workers home or to major urban centres during their periods of leave.
- Implement a community grievance mechanism.
- Develop a community education programme to explain the code of conduct and the grievance mechanism.

(lxi) Drain on services and infrastructure

- Provide health services for workers and contractors, as feasible, to avoid draining resources from existing local health services.
- Work with local government, emergency responders and others to address problems arising from pressures on local infrastructure. Special care is necessary to ensure that the project does not take over activities that are the responsibility

of government such as providing water, sanitation or other public services, which would create local dependency on the project and reduce the effectiveness of local institutions.

Sources of additional guidance on managing the risks to communities emanating from labour influx are listed in box 8.

Box 8. Additional guidance on managing labour influx

- World Bank, Operations Policy and Country Services, *Managing the Risks of Adverse Impacts on Communities from Temporary Project-Induced Labour Influx* (Washington, D.C.: World Bank, 2016), http://pubdocs.worldbank.org/en/497851495202591233/Managing-Risk-of-Adverse-impact-from-project-labor-influx.pdf.
- World Bank, *Social Impacts of Labor Influx: Phase II Portfolio Review* (Washington, D.C.: World Bank, 2018), http://www.plexusenergy.net/wp-content/uploads/2019/10/WB-Phase-2-Labour-Influx-Review-Public-Summary.pdf

Paragraph 25: Security-related issues and personnel

Where an IFAD-supported project requires the engagement of security providers/personnel, the borrower/recipient/partner will ensure that such security arrangements do not violate international human rights standards or principles. The risks posed by such security arrangements to the potentially affected community will be assessed to ensure that those providing security are appropriately vetted, trained and supervised. Allegations of unlawful or abusive acts will be reviewed, with actions taken to prevent recurrence against individuals and communities.

(lxii) Potential Risks and Impacts

Security risks on a project site include conflicts with neighbouring communities, gender-based violence, and theft and violence among camp residents. Consequences of gender-based violence include acute or chronic physical injury, unwanted pregnancy, STIs, HIV/AIDS, urinary tract infections and fistulas, reproductive health problems, emotional and psychological trauma, stigmatization, rejection, isolation, depression, increased gender discrimination and sometimes death.

Preventing gender-based violence requires a comprehensive understanding of the risks to women, girls, boys and men. Security can be strengthened by attention to design of facilities, education and monitoring by an external security or community-based firm. The amount of project security required for a particular project will depend on the project's scale and the level of local conflict and security concerns in the area.

The presence and conduct of security enforcement staff can have a significant influence on the quality of life of local residents. One major concern is the potential conflict that can arise between enforcement staff and the local community, which can cause resentment in the local community towards the project. Also, excessive use of force by security personnel could lead to injury or death of community members. This is a particular concern in high-conflict areas and where companies have limited control over third-party security personnel protecting project infrastructure, such as when government forces are involved.

Some projects require continued security enforcement during their operational phase in order to protect and preserve the health of the community.

(lxiii) Recommendations

Where the application of the screening checklist indicates that a project may require the engagement of security providers/personnel, the borrower/recipient/partner should assess the extent of risk and outline proposed management options.

For borrowers/grant recipients with small operations in stable settings, a review of the operating environment can be relatively straightforward. For larger operations or those in unstable environments, the review will be a more complex and thorough risk assessment that may need to consider political, economic, legal, military and social developments; it

should also consider any patterns and causes of violence and potential for future conflicts. Such a security risk assessment would typically be part of an environmental and social impact assessment for a high-risk/substantial-risk project, or an environmental, social and climate management plan for a moderate-risk project.

A security risk assessment would include a determination of the level of security required for the project. Where such risks are considered low, security arrangements might consist of simple measures, such as fencing or signs and security guards at night. Where security risks are considered more substantial, the borrower/recipient/partner might choose to engage private security providers or work with public security personnel to provide protection. In high-risk situations, and particularly in situations of fragility, conflict and violence, the borrower/recipient/partner is more likely to choose to deploy public security forces.

It may be necessary for borrowers/recipients/partners to also assess the record and capacity of law enforcement and judicial authorities to respond appropriately and lawfully to violent situations. If there is social unrest or conflict in the project's area of influence, the borrower/recipient/partner should determine not only the risks posed to its operations and personnel but also whether its operations could create or exacerbate conflict.

In general, when the borrower/recipient/partner determines that it is necessary to incorporate an assessment of security-related risks and impacts in the ESIA or ESCMP, key elements of such an assessment should include:

- Country context (e.g. conflict, criminality, governance/rule of law, physical environment, socio-economic situation);
- National/local security issues (e.g. availability of security personnel, track record, including allegations with any link to abuse, and professional reputation of private security and public security personnel);
- Risks from other external threats (e.g. to workforce/contractors at or in transit to remote construction sites);
- Risks to human safety and security of assets perceived by community members due to the presence of the project (including any private or public security);
- Risks to workers from security personnel, including non-compliance with any codes of conduct;
- Preliminary recommendations (prioritized) for prevention and mitigation, and agreements needed with security responders to mitigate risks;
- Potential opportunities to employ women in the security personnel for the project.

During the implementation of projects, and in places where experience suggests that risks to community safety are high from the presence of security personnel, the borrower/recipient/partner should make special efforts to:

- Screen all security staff for prior criminal records before hiring them;
- Provide human-rights training to all security staff as part of induction and on-the-job training;
- Clearly establish procedures and rules of engagement for dealing with the public and anyone that represents a threat or risk to the security of the project;
- Establish rigorous procedures for control of firearms (e.g. prohibit security staff from taking their firearms home, account for all munitions, etc.); and
- Ensure that all security personnel receive training in dealing with the public, in cultural sensitivity and in the appropriate use of force.

The use of force should be prohibited except for preventive and defensive purposes. The community should be provided with a culturally appropriate grievance mechanism for expressing concerns about the conduct of security personnel and for filing formal reports about unlawful or abusive acts. The borrower should investigate such reports within a reasonable time and should take action as necessary. Cooperation with local public authorities should be encouraged. The borrower/recipient/partner should monitor conflicts with local community members as well as community perception of security personnel. Sources of further guidance on security-related issues are listed in box 9.

Box 9. Additional guidance on security-related issues

- World Bank, *Assessing the Risks and Impacts of the use of Security Personnel. Environmental and Social Framework for IPF Operations* (Good Practice Note) (Washington, D.C.: World Bank, 2018), http://documents1.worldbank.org/curated/en/692931540325377520/Environment-and-Social-Framework-ESF-Good-Practice-Note-on-Security-Personnel-English.pdf.
- International Financial Corporation, *Use of Security Forces: Assessing and Managing Risks and Impacts* (Good Practice Handbook) (Washington, D.C.: IFC, 2017), https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/publications_handbook_securityforces.

VV. 5. Monitoring project implementation

High Risk, Substantial Risk, and Moderate Risk projects all require management plans that should include monitoring and reporting components. Monitoring plans should include tracking social and environmental management measures through the financing cycle. Monitoring can be integrated into existing project management processes. The results of monitoring activities should be used to revise the prevention/mitigation measures where they are found not to be effective. Reviews should be documented. Information from these reviews will be helpful in developing community health risk control strategies for future projects.

The extent of monitoring will be proportionate to the nature of the project, the project's social and environmental risks and impacts, and compliance requirements. A project should not be considered complete until the measures and actions set out in the management plan have been implemented.

If there are substantive changes to the project during implementation or changes in the project context that alters the project's risk profile, then rescreening, assessment and revised management measures may be required.

Where appropriate, stakeholders and third parties, such as independent experts, local communities or NGOs, should complement or verify monitoring activities.

SECAP compliance review activities should be appropriate to the type and scope of the requirements, and may include:

- reviewing monitoring reports, conducting site visits and reviewing project-related information
- reviewing compliance with SECS and SECAP requirements
- advising partners on how to manage issues related to the SECAP Standards
- communicating risks and probable consequences of failure to comply with the SECAP requirements and initiating remedies if the partner fails to (re)establish compliance.

Monitoring should focus on those components of community health, safety and security most likely to change as a result of the project. While from a public health perspective, monitoring is typically performed at a community rather than at an individual household level, in some situations, household level monitoring may be appropriate. For example, where large numbers of vulnerable and disadvantaged individuals may be created by project related resettlement or relocation activities, individual household level health monitoring may be appropriate as part of a monitoring plan under the relevant resettlement action plan.

Monitoring and reporting activities that are linked to government health and demographic information systems may provide opportunities to highlight and track positive health outcomes linked to the project, which otherwise may be overlooked.

Monitoring for community health, safety and security risks can use data from a range of sources, including:

- Emissions inventories (records of the permitted or actual level of emissions from specified sources);
- Environmental data (measurements of the concentrations of pollutants in the environment);

- Bio-monitoring data (measurements of specific agents or their metabolic products in biological samples);
- Health data, which can include:
  - routine (surveillance) data;
  - clinical surveillance (relevant to specific exposed populations).

Relevant health data might include:

- Infections disease monitoring data;
- Health care utilisation data (hospital admissions, primary care consultations);
- Births, congenital anomalies and related data;
- Cancer registrations;
- Mortality statistics; and
- Epidemiological surveys.

WW. Annex I. Potential health issues due to community exposure

According to the World Health Organization definition, health is "a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity."[14] A health impact resulting from an IFAD-funded project, plan or programme is a measurable change on the health status of an individual, group or population that may be attributable to the direct or indirect effects of the project. The impacts may be intended or unintended and may not become apparent for many years.

The main health impacts related to agricultural projects are:

- Occupational diseases, disorders and injuries;
- Waterborne diseases spread to humans through pathogens in water and on irrigated crops;
- Increase in prevalence of vector-borne diseases as a result of habitat change;
- Non-communicable diseases resulting from changes in nutrition, activity, etc.;
- Nutritional disorders; and
- Communicable diseases from interaction between people.

Occupational diseases and disorders

There are a number of occupational health issues associated with agriculture, fishing, aquaculture and forestry projects:

- Traumatic injury;
- Respiratory illnesses;
- Noise-induced hearing loss;
- Cancer and other disorders from exposure to chemicals;
- Zoonoses;
- Dermatoses;
- Heat and cold stress; and
- Musculoskeletal disorders.

Traumatic injury. A large number of deaths and disabilities are caused each year by accidents involving farm vehicles and machinery. The more mechanized the farm, the greater the risk of accidents, especially if vehicles and equipment are not properly maintained and basic training and safety measures are not put in place. Falls from heights and ladders are also a major cause of death and injury, either directly from the trauma of the fall or indirectly if the fall occurs in grain silos or into animal manure pits, where the cause of death would be suffocation or inhalation of toxic gases, respectively.

A further cause of traumatic injury is from upgrading rural roads. While the aims of these road-improvement projects are to facilitate access to markets and provide quicker and easier modes of transport, the reality is that the new roads typically do not cater for the large numbers of pedestrians and cyclists who use them and who are placed at much greater risk of personal injury due to speeding traffic.

Respiratory illnesses. Agricultural workers are exposed to a number of dusts and gases in the workplace that can cause acute and chronic respiratory diseases. Exposures that play an important role in causing respiratory disorders include grain dust, fibres, dust and gases in animal confinement units, mould (e.g. aflatoxins[15]), and thermophilic bacteria in hay and grain, and silo gas. Many of the bioaerosols inhaled by agricultural workers are rich in endotoxin, which has been associated with both acute and chronic illness.

[14] World Health Organization, "Constitution," WHO, https://www.who.int/about/who-we-are/constitution.

[15] Aflatoxins are poisonous and cancer-causing chemicals that are produced by certain moulds (*Aspergillus flavus* and *A. parasiticus*) which grow in soil and on decaying vegetation, hay and grains. They are regularly found in improperly stored commodities such as cassava, chilli peppers, maize, cotton seed, millet, peanuts, rice, sorghum, sunflower seeds, tree nuts, wheat and a variety of spices. When contaminated food is processed, aflatoxins enter the general food supply, where they have been found in both pet and human foods and in feedstocks for agricultural animals. Animals fed contaminated food can pass aflatoxin transformation products into eggs, milk products and meat. Children are particularly affected by aflatoxin exposure, which leads to stunted growth, delayed development, liver damage and liver cancer. Adults have a higher tolerance to exposure but are also at risk.

Workers in biofuels and oil crop processing facilities may be exposed to ethanol vapours, vegetable oil mists, hexane and other solvents, acids and bases.
Specific respiratory problems in sugar cane production are linked to combustion gases and particulates during cane burning activities, while sugar processing workers may develop bagassosis and interstitial lung disease from processing bagasse without adequate PPE. Inorganic dust inhalation can also cause respiratory ailments, particularly if the dust is rich in silica. Farm worker are most at risk of inhaling respirable particulates when working in the fields in dry, hot conditions without any protective equipment.
Approximately 3 billion people, many of whom are farmers, cook and heat their homes using open fires and simple biomass burning stoves. Respiratory illnesses attributable to indoor air pollution such as pneumonia, cardiovascular diseases and cancer kill more than 4 million people per year, more than half of whom are children under 5. The highest burden occurs in low-income countries where people are often most vulnerable due to existing diseases, such as tuberculosis (TB) or HIV, and who have little access to effective health care or alternative sources of cheap energy. The use of wood and fossil fuels for cooking and heating has other indirect impacts on the social and biophysical environments: gathering fuelwood takes time and energy, thus removing (mostly) women and children from other productive tasks and school, respectively; black carbon and methane emitted by inefficient combustion contribute to climate change and the lack of access to safe forms of power can lead to injuries, fires, poisoning and burns, among others.
Noise-induced hearing loss. Agricultural and forestry workers are frequently exposed to high levels of noise from tractors, machinery and power tools, which can affect hearing to a greater or lesser extent.
Cancer and other disorders from exposure to pesticides. The term “pesticide” is used to refer to a range of chemicals used to kill, control or repel animal pests, weeds, fungi, bacteria and other pathogens. Pesticides pose risks of short- and long-term illness to farm workers and their families. Workers who mix, load or apply pesticides (known as pesticide handlers) can be exposed to toxic pesticides because of spills and splashes, defective, missing or inadequate protective equipment, direct spray or drift. Farm workers may be exposed to pesticides in a variety of ways, including: working in a field where pesticides have recently been applied; breathing in pesticide “drift” from adjoining or nearby fields; working in a pesticide-treated field without appropriate PPE; eating with pesticide-contaminated hands; eating contaminated fruits and vegetables; and eating in a pesticide-contaminated field. Workers may also be exposed to pesticides if they drink from, wash their hands or bathe in irrigation canals or holding ponds, where pesticides can accumulate. Pesticides can enter the human body through inhalation, ingestion or by dermal penetration through the skin.
The World Health Organization estimates that there are 3 million cases of pesticide poisoning each year and up to 220,000 deaths, mostly in developing countries. Pesticide exposure can cause a range of neurological health effects such as memory loss, loss of coordination, reduced stimulus response, impacts on vision, altered or uncontrollable mood and behaviour, and reduced motor skills. Pesticides have also been linked to cancer, hormone disruption, and problems with reproductive and foetal development (table A.1 below). Workers in orchards and fruit farms, vegetable production, and cotton pickers as well as children, are particularly susceptible to pesticide poisoning.

Table A1 - Common pesticides and their health effects

Pesticide group	*Documented health effects*
Organochlorines, such as dichloropropene	Loss of sensation around the mouth, hypersensitivity to light, sound and touch, dizziness, tremors, nausea and vomiting, nervousness and confusion, and also affects the reproductive system.
Organophosphates, such as chlorpyrifos, and carbamates such as aldicarb and carbaryl	Increased salivation and perspiration, narrowing of pupils, nausea, diarrhoea, decrease in blood pressure, muscle weakness and fatigue. Also affects the brain, reproductive system and is linked to cancer.

Pyrethroids	Hyperexcitation, aggressiveness, loss of coordination, tremors and seizures, allergic skin response. Some pyrethroids can cause cancer, reproductive or developmental effects or endocrine system disruption.
2,3,7,8-tetrachlorodibenzo-p-dioxin (TCDD, dioxins) (e.g. 2,4-D and 2,4,5-T)	Birth defects, cancers, liver disease and other illnesses.
Phenoxyacetic acid (2,4-D)	Non-Hodgkin's lymphoma.
Methyl bromide	Affects skin, eyes, brain and respiratory system. May cause fluid in lungs, headaches, tremors, paralysis and convulsions.

Zoonotic diseases. Diseases that can be transmitted between animals and humans are known as zoonotic diseases, or zoonoses. About 60 per cent of all human diseases and 75 per cent of all emerging infectious diseases are zoonotic, largely from pigs, poultry, cattle, sheep, goats and camels. A study by Grace et al. (2012)[16] categorized zoonoses based on their prevalence and occurrence:

- Endemic zoonoses, such as brucellosis, leptospirosis and salmonella, which are globally prevalent and persistent;
- Outbreak or epidemic zoonoses, which are unpredictable and occur periodically, such as anthrax, rabies, Rift Valley fever and leishmaniosis; and
- Emerging zoonoses, such as Ebola.

Zoonotic diseases, such as bird flu and bovine TB, can have a significant effect on both the affected animals and humans in terms of health and economic impact. There is a strong association between poverty, hunger, livestock-keeping and zoonoses, but actual data about notifiable diseases are poor to non-existent in most low- to middle-income countries. An extensive literature survey by Grace et al. (2012) indicated that the most affected countries are:

- South Asia: India > Bangladesh > Pakistan
- East and Central Africa: Ethiopia > Democratic Republic of the Congo > United Republic of Tanzania > Sudan
- South-east Asia: China > Indonesia > Myanmar > Viet Nam
- West Africa: Nigeria > Burkina Faso > Mali > Ghana

Thirteen zoonoses[17] have been found to be responsible for 2.2 million human deaths per year, mostly in five countries (China, India, Ethiopia, Nigeria and Bangladesh), where 44 per cent of the world's poorest livestock keepers live. The impact of these diseases is compounded by the severity of the disease and its amenability (or not) to agricultural controls. The livestock types, main zoonoses, causes and pathways to humans are presented in table A.2, together with some specific mitigation measures. In addition to the specific measures listed, there are three basic means of controlling the spread of zoonoses:

- **Personal protective actions and equipment**, such as hand hygiene, the use of appropriate gloves and outer protection, facial and respiratory protection, and the tracking of aggressive animals so that restraints are used when necessary;
- **Environmental infection control**, such as cleaning and disinfecting surfaces and equipment, early diagnosis and treatment, vaccinating healthy animals, isolating diseased animals, disposing of infected tissues or dead animals appropriately, and controlling the infestation of pests, which can be a carrier of these infections; and

[16] Grace, D. et al. Mapping of Poverty and Likely Zoonoses Hotspots (ILRI; 2012); available at http://mahider.ilri.org/handle/10568/21161

[17] Zoonotic gastrointestinal disease, leptospirosis, cysticercosis, bovine tuberculosis, rabies, leishmaniosis, brucellosis, echinococcosis, toxoplasmosis, Q fever, zoonotic trypanosomiasis, hepatitis E and anthrax.

- **Worker health**, such as vaccinating workers, health surveillance, providing good nutrition to workers, early diagnosis and treatment, and providing proper awareness training and education.

Dermatoses. All outdoor agricultural workers are exposed to the sun, and as a result an increased risk of skin cancer. Basal cell carcinoma and lip cancer are two of the most common types of cancer in agricultural workers. Contact with a range of materials, e.g. fertilizers, pesticides, other farm chemicals, fibres, thorns and leaves, can also cause dermatological reactions such as eczema, rashes, itching and urticaria.

Heat and cold stress. Extreme heat or cold can be both stressful and bring on adverse health reactions, such as heat stroke and hypothermia, respectively. The recommended measures to combat heat stroke are to provide sufficient shade, water and rest breaks, as well as adequate head covering. The risks of hypothermia can be reduced by providing warm shelter, hot drinks and food, adequate rest breaks and warm clothing including hats, boots and gloves.

Musculoskeletal disorders. All activities associated with agriculture, forestry, fisheries and aquaculture involve hard manual labour such as bending, picking, lifting, carrying, as well as repetitive movements such as cutting or pruning. Back pain is common for field workers, while arm and shoulder problems are more evident in fruit pickers.

Table A.2 - Causes and pathways of the most common zoonotic diseases and possible mitigation measures

Livestock type (Primary in bold)	*Zoonoses*	*Agent/cause*	*Pathway to humans*	*Possible specific mitigation options (in addition to the general measures listed)*
Cattle, llamas and pigs	Bovine TB	*Mycobacterium bovis* bacteria	Consumption of untreated milk; close contact with infected animals, especially in confined livestock systems; presence of wildlife (disease reservoirs)	Drink treated milk; reduce contact between wildlife carriers and cattle
Cattle, sheep, goats and pigs	Human brucellosis	*Brucella* spp.	Consumption of untreated milk and milk products	Milk pasteurization
Pigs	Cysticercosis	Larvae of the parasite *Taenia solium* (pork tapeworm)	Where pigs consume human faeces containing tapeworm eggs, i.e. free-ranging pigs; any food or water containing tapeworm eggs	Improved personal sanitation and hygiene; prevent access by pigs to human excreta (confine pigs to piggeries); access to clean (unpolluted) water; pork to be well cooked
Sheep, goats and cattle	Q fever Endocarditis	*Coxiella burnetii* bacteria	Inhalation of spores; contact with milk, meat, wool, faeces, mucus and semen of infected animals	Use of personal protective equipment when handling wool, skins, meat, animal birthing and insemination
Cattle, sheep, pigs, rabbits (secondary hosts) via rodents (primary hosts)	Leptospirosis	*Leptospira* spp. bacteria	Contact with water and soil containing infected animal urine, especially in free-ranging animal systems	Elimination or control of rodents, especially rats; avoidance of contaminated water
Poultry	Avian influenza, or bird flu	A(H5N1) and A(H7N9) viruses infect humans	Direct or indirect contact with infected live or dead poultry	Control disease in birds; eat well-cooked poultry meat and avoid consumption of all uncooked poultry products; implement containment measures to control spread of disease, e.g. close live bird markets and prohibit movement of infected birds
Sheep, goats, cattle, camels, pigs (secondary hosts)	Echinococcosis (hydatid disease)	Larval stage of *Echinococcus granulosus, E. intermedius* and *E. canadensis*	Ingestion of tapeworm eggs through faeces of hosts (carnivorous predators) and contaminated food and water	Deworming of dogs; public education campaigns; improved food inspection and slaughterhouse hygiene
Cattle, sheep	Anthrax	*Bacillus anthracis* bacteria	Endospores in soil persist for decades; inhalation of spores; exposure to infected animals or products (skins, wool, meat) via	Incineration or deep burial of infected animal carcasses; use of extreme personal protective equipment, including breathing apparatus and protective bodysuits; clean up of infected sites (where stock have died) using strong biocides to destroy bacterial spores

Livestock type (Primary in bold)	*Zoonoses*	*Agent/cause*	*Pathway to humans*	*Possible specific mitigation options (in addition to the general measures listed)*
			inhalation, ingestion and dermal contact	

Waterborne diseases. One of the most common pathways for pathogens to enter the human body is from ingestion of, or contact with, water polluted with human and/or animal excreta. The use of treated sewage effluent to irrigate crops and landscaped installations (parks, gardens, golf courses, etc.) has been practised for decades, and there are strict controls over the quality of this water in most developed countries. However, the main pathways for waterborne diseases in low- to middle-income countries are via the use of partially treated or untreated sewage effluent: (i) where sewage effluent is deliberately used for irrigation in an attempt to conserve freshwater resources, while at the same time adding "cheap" nutrient and organic matter to the soil or growth medium; and (ii) where untreated sewage effluent and excreta wash into reservoirs, dams, rivers or canals and the contaminated water is unintentionally used for irrigation, drinking or washing. The exposure pathways for humans from both these paradigms are via: (i) direct consumption and handling of polluted water; and (ii) indirect consumption through food irrigated or washed with polluted water and contaminated animal products.
There are four groups of pathogens implicated in waterborne diseases in humans:

- **Bacteria.** The faeces from an infected person allows the spread of that infection to others. Diarrhoea is the most prevalent type of infection, with cholera the worst form. Typhoid, paratyphoid and other salmonella-type diseases are also caused by bacterial pathogens.
- **Viruses.** The five most important groups of pathogenic-excreted viruses are: adenoviruses, enteroviruses, hepatitis A virus, reoviruses and diarrhoea-causing viruses such as rotavirus.
- **Protozoa.** Many species of protozoa can infect humans and cause diarrhoea and dysentery. Infective forms of these protozoa are often passed as cysts in the faeces. The three most common pathogenic species are: *Giardia lamblia*, *Balantidium coli* and *Entamoeba histolytica*.
- **Helminths or parasitic worms.** Many of these species have humans as the host, but most do not multiply within the human host. These species often have complex life cycles with different developmental stages occurring in different intermediate hosts, which could be soil, water, plant life or animals. These complex interactions need to be understood when designing and planning irrigation schemes to prevent the cycle of infection and re-infection. Roundworms (nematodes) and flatworms (tapeworms and flukes) form the two main groups of helminths in wastewater.

All of the above pathogens have the potential to reach fields and crops, but their survival time outside of the human body is highly dependent on water temperature. At temperatures between 20° and 30° C, the average survival time for viruses can be up to two months, but this may be prolonged in cooler temperatures and in the presence of pollution. Bacteria on the other hand have a shorter average survival time (20-30 days) and survive for longer in clean water. Pathogens tend to be able to survive for a long period in soil, but longevity is much reduced on soil and crop surfaces, which are exposed to greater heat, solar radiation and aridity. Understanding the survival time is important when cropping cycles are shorter than the pathogen's life cycle, e.g. fast-growing vegetables. Thus, the timing of the last application of irrigation water is critical in determining the degree of risk from infection.
Whether a person actually becomes infected depends on a number of additional factors, such as:

- volume of excreta in the wastewater (containing pathogens);
- latency (period of time from excretion to infection of a new host);
- persistence (viability of the organism outside the human body);

- multiplication (whether the organism can multiply outside the human body);
- infective dose (amount needed to cause infection);
- host response (immunity of the person); and
- presence of non-human hosts such as schistosomes.

The highest risks to human health are posed by helminths, followed by bacterial infections (e.g. cholera, typhoid, shigellosis) and protozoan infections such as amoebiasis and giardiasis. The lowest risk is from viruses such as viral gastroenteritis and infectious hepatitis A.
In terms of crop risk, the lowest risk to the consumer is when contaminated water is used on:

- crops that are not for human consumption, e.g. cotton, sisal;
- crops that are normally processed using heat or sun drying before consumption, e.g. grains;
- vegetables and fruit grown for canning or other processing that destroys pathogens;
- fodder crops that are sun dried before consumption by livestock;
- landscaped irrigation that is not open to the public.

Increased risks are where polluted water is used on:

- pasture and green fodder crops;
- crops for human consumption (grapes, fruit) that do not come into direct contact with the irrigation water (i.e. where drip, microsprays and root-directed irrigation is used);
- crops for human consumption which are not usually eaten raw, such as potatoes, aubergine and beetroot;
- crops for human consumption where the peel or skins are not usually eaten, such as melons, citrus fruits, bananas, nuts and groundnuts.

The highest risks occur when water contaminated with excreta is used to irrigate crops that are often eaten uncooked, or that come into close contact with water such as lettuce, carrots, spray-irrigated fruit.
Farm workers are also at a high risk if they have to handle irrigation pipes and pumps without adequate personal protective equipment and awareness of risks. Crop pickers who use hand harvesting techniques may also be more exposed to risks, especially if they are migrant or seasonal workers who are not provided with adequate personal protective equipment. Farm workers may also be more at risk in dry areas where inhalation of respirable dust containing pathogens is likely.
Wastewater and excreta are also present in the aquaculture industry. This industry has seen a massive growth in the past two to three decades, from 16.8 million tonnes in 1990 to 73.8 million tonnes in 2014. The industry is dominated by a few Asian countries – the majority of total global production is from Asia, primarily China, but India, Viet Nam, Bangladesh and Egypt are all major producers. Waterborne pathogens may enter the food chain via the use of contaminated water as a culture medium, or through the direct input of animal excreta as a source of nutrients, e.g. chicken manure. The pathogens which typically bioaccumulate in finfish and shellfish are: *Campylobacter jejuni*, *Vibrio cholera*, *Salmonella* spp., *Shigella* spp., *Escherichia coli* and *Enterococcus* spp. Helminthic, parasitic and viral pathogens have been documented in wastewater-fed aquaculture environments such as *Schistoma marisoni*, *Cryptosporidium parvum*, *Giardia intestinalis*, novoviruses, rotaviruses and hepatitis A. These pathogens cause health risks for workers at aquaculture farms and processing plants that come into daily contact with contaminated water, as well as for those who consume such products.

The use of wastewater in aquaculture can also result in the accumulation of heavy metals and organic chemicals from pesticides, fungicides and general run-off from agricultural or industrial land. The most infamous example of this occurred in the city of Minamata in Kumamoto Prefecture, Japan, in 1956. The disease, which became known as Minamata disease, was caused by the release of methyl mercury in the industrial effluent from the chemical factory belonging to Chisso Corporation, which operated from 1932 to 1968. This highly toxic chemical bioaccumulated in shellfish and fish in Minamata Bay and the Shiranui Sea, which, when eaten by the local populace, resulted in mercury poisoning causing neurological damage. Cadmium and lead have also been found in elevated levels in fish; cadmium can cause kidney and bone damage, while lead has neurotoxic effects and affects brain development in children. The main exposure pathway for these metals is through the direct consumption of contaminated finfish and shellfish.

The other health threat from aquaculture operations is the use of antibiotics in fish ponds to kill bacteria or to inhibit the growth of bacteria in the species being farmed. The most commonly used drugs are oxytetracycline, chloramphenicol and oxolinic acid; however, there is little information disclosed about the types and amounts of antibiotics used and there are inadequate government controls in place in many countries. There is also little information made available to the aquaculture farmers about the safe and efficient use of these drugs and what the side-effects may be for both those handling these drugs and those who consume the aquaculture products.

Vector-borne diseases. Vectors are living organisms that can transmit infectious diseases between humans or from animals to humans. Every year there are more than 1 billion cases and over 1 million deaths globally from vector-borne diseases, such as malaria, dengue, schistosomiasis, human African trypanosomiasis, leishmaniasis, Chagas disease, yellow fever, Japanese encephalitis and onchocerciasis. Vector-borne diseases account for over 17 per cent of all infectious diseases. Distribution of these diseases is determined by a complex dynamic of environmental and social factors.

Many of these vectors are bloodsucking insects, which ingest disease-producing micro-organisms during a blood meal from an infected host (human or animal) and later inject it into a new host during their subsequent blood meal. Mosquitoes are the best-known disease vector. Others include ticks, flies, sandflies, fleas, triatomine bugs, and some freshwater aquatic snails (table A.3). The risks of vector-borne diseases can be increased by creating suitable habitats for vector growth and reproduction and where an existing disease burden already exists, e.g. from communicable or zoonotic diseases.

Table A.3 - Disease vectors, diseases and environmental drivers

Primary vector	*Diseases*	*Environmental driver*
Mosquitoes: *Aedes* spp.	Chikungunya Dengue fever Rift Valley fever Yellow fever Zika	Standing, stagnant water in pools, puddles and containers provide suitable breeding habitats for mosquitoes; dams and irrigation schemes
Mosquitoes: *Anopheles* spp.	Malaria	Standing, stagnant water in pools, puddles, containers, dams and rivers; dams and irrigation schemes
Mosquitoes: *Culex* spp.	Japanese encephalitis Lymphatic filariasis West Nile fever	Standing, stagnant water in pools, puddles and containers; dams and irrigation schemes;

Primary vector	*Diseases*	*Environmental driver*
		pigs
Sandflies	Leishmaniasis Sandfly fever (phelebotomus fever)	Deforestation, construction of dams and irrigation schemes; domestic dogs are an important reservoir
Ticks	Relapsing fever (borreliosis, or tick bite fever)	Presence of cattle and wildlife, especially rodents
Triatomine bugs	Chagas disease (American trypanosomiasis)	Deforestation
Tsetse flies	Sleeping sickness (African trypanosomiasis)	Contact between wildlife and cattle
Fleas	Plague (transmitted by fleas from rats to humans) Rickettsiosis	Presence of rodents
Black flies	Onchocerciasis (river blindness)	Fast-flowing rivers and streams provide suitable habitat for *Simulium* spp.
Aquatic snails	Schistosomiasis (bilharziasis)	Pools and slow-moving rivers and streams; dams and irrigation schemes
Fruit bats (Pteropodidae)	Ebola virus Marburg haemorrhagic fever	Presence of fruiting trees

Non-communicable diseases. Non-communicable diseases (NCDs) kill approximately 38 million people per year, 75 per cent of whom (28 million) live in low- to middle-income countries. Four conditions: cardiovascular disease (heat attack, stroke), cancer, respiratory diseases and diabetes account for 82 per cent of all deaths, with cardiovascular diseases accounting for 46 per cent, or 17.5 million deaths per year.

NCDs usually have a long duration and slow progression. The main drivers are ageing, rapid and unplanned urbanization, and unhealthy lifestyles. The latter includes use of tobacco, unhealthy diet, lack of exercise and the harmful use of alcohol, which individually or together can cause:

- raised blood pressure;
- high body mass and obesity (see below);
- hyperglycaemia (high blood glucose); and
- hyperlipidemia (high blood fat).

Poverty is closely linked to NCDs due to increased vulnerability, greater risks of exposure to harmful substances, and limited access to preventive health-care services. WHO has thus identified the rise in NCDs in low- and middle-income countries as a major threat to the achievement of the Millennium Development Goals and the post-2015 Sustainable Development Goals (SDGs) (WHO, 2013).

Nutritional disorders. One of the main aims of IFAD projects is to improve nutrition in rural areas by improving crop yields, controlling diseases and improving food quality. One of the main goals of the environmental and social impact assessment (ESIA) is to identify project benefits, such as improved nutrition, and make sure that these are not just enhanced, but realized during project execution through careful management and monitoring. However, some agricultural projects could have unintended negative consequences on nutrition, for example, as a result of involuntary resettlement, or through the advent of fast foods to a previously remote area

because of improved road access (an induced impact). As with all other health issues identified in this guidance statement, the sociocultural context (including the existing health status of the population) of the given project area needs to be taken into account when identifying risks to the nutritional status of a project-affected community.

Malnutrition occurs when a person is not getting enough, or too much food, or not getting the right kind of food. Even if people get enough to eat, they will become malnourished if the food they eat does not provide the proper amounts of micronutrients – vitamins and minerals – to meet the daily nutritional requirements. This affects childhood growth and development, disease resistance, work productivity and foetal development in malnourished mothers.

Disease and malnutrition are closely linked. Sometimes disease is the result of malnutrition, sometimes it is a contributing cause. In fact, malnutrition is the largest single contributor to disease in the world, according to the United Nations Standing Committee on Nutrition.

Undernourishment is usually caused by insufficient intake of high-quality food. This is often related to high food prices and poverty and may be aggravated by the presence of disease, which increases the body's nutrient requirements. Giardiasis, for example, which is commonly transmitted through water or food contamination, leads to malabsorption of nutrients causing undernourishment or malnutrition in extreme cases. Persistent diarrhoeal diseases caused by water contamination are also implicated in nutritional disorders. Undernutrition affects school performance and studies have shown it often leads to a lower income as an adult, thus perpetuating the poverty cycle. It also causes women to give birth to low birthweight babies (World Food Programme).

Overeating, especially of foods with high carbohydrate and saturated fats, can lead to obesity, diabetes and cardiovascular diseases. Diabetes is a chronic disease in which the pancreas does not produce enough insulin, or where the body cannot effectively use all the insulin produced. Since insulin regulates the blood sugar levels in the body, an impaired system can lead to damage to the heart, blood vessels, eyes, kidneys and nerves. Blindness, kidney failure and limb amputation are common outcomes for people suffering from diabetes.

Type 2 diabetes can affect anyone who has excess body weight, is inactive and has a poor diet. In 2014, the global prevalence rate of diabetes was estimated by WHO to be 9 per cent of adults and it caused 1.5 million deaths in 2012. A large proportion (> 80 per cent) of diabetes deaths occur in low- to middle-income countries, and it is estimated that this will increase to become the seventh leading cause of death by 2030 (WHO, 2017).

As with other NCDs, the main ways to prevent diabetes from occurring and to remedy it once present are to maintain a healthy body weight, have regular exercise, keep to a healthy diet that is high in fibre and low in sugar and saturated fats, and avoiding the use of tobacco.

WHO's global nutrition targets for 2025 are:

- 40 per cent reduction in the number of children under 5 who are stunted;
- 50 per cent reduction of anaemia in women of reproductive age;
- 30 per cent reduction in low birthweight;
- No increase in children being overweight;
- Increase the rate of exclusive breastfeeding in the first six months, up to at least 50 per cent;
- Reduce and maintain childhood wasting to less than 5 per cent.

These targets are supported by SDG2, which aims to end hunger, achieve food security and improved nutrition, and promote sustainable agriculture by 2030.

Communicable diseases. While subsistence farming is mainly carried out by a family unit, most larger-scale agricultural projects employ migrant or seasonal workers at some or all stages of the cropping, livestock or production cycle. Construction of agricultural infrastructure such as

access roads, small dams and irrigation schemes, processing plants, etc., also often involve migrant workers. Many studies have shown that migrant farm workers are particularly at risk from contracting communicable diseases and causing the spread of these diseases for a number of reasons: migrant worker health and safety standards on farms is often substandard, with workers living in cramped and unhygienic accommodation facilities; personal protective equipment is usually inadequate or not provided at all; workers are transported in overcrowded vehicles; migrants are often illegal and therefore have no recourse to state medical health-care facilities; there may be language and cultural barriers; there is often a lack of knowledge about communicable diseases and how to prevent them, especially sexually transmitted infections such as HIV, and workers are not given time off to seek medical help.

The main communicable or infectious diseases associated with agricultural projects which typically employ migrant or seasonal workers are:

- HIV;
- STIs;
- Tuberculosis;
- Hepatitis; and
- Meningitis.

HIV. HIV is spread through direct contact of bodily fluids from an infected person to an uninfected person primarily as a result of unprotected sexual intercourse, and from blood contamination resulting from direct contact, blood transfusions and shared needles. The subsequent transmission of HIV has now been shown to have had significant long-term social and economic consequences at the local community level, as well as nationally. The vulnerability of at-risk populations is a complex issue, where the social status of women, cultural practices, poverty, poor nutrition, money, alcohol and power are key drivers of the disease, as well as biological factors, such as already weakened immune systems from other diseases including malaria, other STIs, TB and hepatitis. Thus, worldwide, women tend to be more at risk than men. Even though antiretrovirals are becoming more readily available, this may not be the case in remote rural communities and/or in those countries where health-care systems are inadequate.

Sexually transmitted infections. STIs are caused by more than 30 different bacteria, viruses and parasites and are spread predominantly by sexual contact, including vaginal, anal and oral sex. Eight of these pathogens have been linked to the greatest incidence of illness. Of these eight infections, four are currently curable: syphilis, gonorrhoea, chlamydia and trichomoniasis. The other four viral infections are currently incurable (hepatitis B, herpes, HIV and human papillomavirus), but can be mitigated or modulated through treatment and other mitigation measures. Of concern is that some STIs can increase the risk of HIV acquisition threefold or more, and can have serious consequences beyond the immediate impact of the infection itself, through mother-to-child transmission of infections, foetal and neonatal deaths, cervical cancer and other chronic diseases.

As with HIV, the spread of STIs is exacerbated in the communities surrounding agricultural projects due to risky sexual behaviour. Both men and women are vulnerable to STIs, but women are most affected due to the same complex drivers as those driving the HIV epidemic and the fact that they are more likely to have HIV.

Tuberculosis. Although different forms of TB have been identified, it is primarily a lung disease which has been present in the world for centuries. It is caused by bacteria (*Mycobacterium tuberculosis*) that most often affect the lungs.

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Tuberculosis is curable and preventable. It is transmitted via direct contact with sputum and aerosol droplets from affected persons. The use of tobacco greatly increases the risk of TB, with more than 20 per cent of cases globally being attributable to tobacco smoking. The TB epidemic is aggravated not only by smoking tobacco, but also by malnutrition and weakened immune systems – people who are HIV-positive are 26-31 times more likely to get TB than healthy counterparts. In a further complication, TB accelerates progression to AIDS.

TB is a significant workplace challenge because of the airborne nature of the disease. In the workplace, employees can contract TB directly from actively infected persons or from breathing in air that contains the bacteria or from contact with infected cattle. The risk of workers contracting TB is higher in situations where they are in congregated settings, such as dormitory accommodations and on overcrowded vehicles.

The spread of TB is exacerbated in livestock rearing and dairy operations due to the fact that bovine TB can be caught by humans through contact with infected livestock and untreated milk. Dairy workers have more than twice the risk of contracting latent and active TB than non-dairy workers.

Hepatitis. According to the director of the Department of HIV/AIDS and Hepatitis of WHO, global mortality due to viral hepatitis is now outstripping deaths from HIV, tuberculosis or malaria, and whereas deaths as a result of HIV and malaria have been declining for several years due to improvements in prevention and treatment coverage, mortality due to hepatitis A, B and C is still rising. Hepatitis is an infectious disease that causes inflammation of the liver. Acute hepatitis can be self-healing with time or it can progress to fibrosis (scarring), cirrhosis or even cancer of the liver.

Hepatitis A and hepatitis E are transmitted by faecal contamination of water or food. These two viruses particularly affect children (who may play in contaminated water), poor areas with no formal sanitation systems, and men having sex with men. They do not cause chronic liver disease and are rarely fatal.

Hepatitis B used to be the most common form of hepatitis globally until the introduction of effective vaccinations in the 1980s. Because the hepatitis B virus is transmitted via blood, semen or vaginal fluids, sex workers, men having sex with men, people who inject drugs and health-care workers are particularly at risk, especially if their immune system is already compromised, e.g. with HIV. Thus, as with HIV and STIs, risky sexual behaviour around project sites can result in an increase in hepatitis B in the male workforce and general population, with women in the latter being more vulnerable due to the likely presence of other communicable diseases. Hepatitis D virus infections occur only in those who are infected with hepatitis B. The dual infection of hepatitis D and hepatitis B can result in a more serious disease and worse outcome. Hepatitis B vaccines provide protection from hepatitis D infection.

The causes of hepatitis C transmission are less well known compared to hepatitis B, but the virus is spread via blood, and thus health-care workers, people who inject drugs and possibly those with multiple and concurrent partners are susceptible to the disease.

Meningitis. Meningococcal meningitis is a bacterial form of meningitis, a serious infection of the thin lining that surrounds the brain and spinal cord. The extended meningitis belt of sub-Saharan Africa, extending from Senegal in the west to Ethiopia in the east (26 countries), has the highest rates of the disease, but sporadic outbreaks of this disease occur throughout sub-Saharan Africa.

[301] This guidance note focuses on the most common form of tuberculosis (TB) relating to development scenarios, i.e. the form of TB that affects the lungs. However, it should be noted that there are other forms of TB, such as laryngeal TB and various forms of extrapulmonary TB.

The bacteria are transmitted from person to person through droplets of respiratory or throat secretions from carriers. Close and prolonged contact – such as kissing, sneezing or coughing on someone, or living in close quarters (in hostels, sharing eating or drinking utensils, for example) with an infected person (a carrier) – facilitates the spread of the disease. Even when the disease is diagnosed early and adequate treatment is started, 5 to 10 per cent of patients die, typically within 24 to 48 hours after the onset of symptoms. Children are particularly at risk, but anyone (male or female) who may have an existing disease, e.g. HIV, will be more vulnerable to contracting meningitis.

XX. Annex II. Dams, safety and design

INTRODUCTION

A “dam” is an artificial barrier that is constructed to impound or control water. It includes the barrier itself and all its appurtenant structures, such as the spillway and outlet works. Dams may be constructed from earth or other suitable materials such as rock, masonry or concrete – the choice usually being determined by foundation conditions and the availability of locally occurring construction materials. “Subsurface dams” are barriers built below the surface of a stream bed to intercept and store subsurface flows to provide water supplies in arid and semi-arid zones.

Dams provide a variety of benefits, including water for irrigation, livestock and domestic supplies and fisheries, as well as flood mitigation – and all these activities have had significant impacts on poverty reduction. But too often in the past dams have also created adverse social and environmental impacts. Moreover, dams are normally threatened by various forces that can cause failure and these generally continue to be active over the entire life of the dam.

IFAD-assisted projects often include the construction of a new dam, or directly depend on an existing dam, either of which could result in adverse impacts or involve a risk of failure. This Guidance Note is intended to help stakeholders, including country programme managers and Project Delivery Teams, to appreciate: (i) the potential for adverse social and environmental impacts and need for safeguards; (ii) how the dam planning and development process fits into the IFAD project Cycle and SECAP; (iii) the need for sound technical advice in dam design and construction to minimize the risks of catastrophic failure; and (iv) the implications for project design in terms of the additional time and finance required.

CLASSIFICATION OF DAMS

(lxiv) Classification by size

Dam height, reservoir capacity and the magnitude of incoming floods are critical factors in deciding on the level of technical expertise required for design, construction, operation, maintenance and decommissioning of dams. Obviously, the greater the dam height, reservoir capacity and incoming flood, the more sophisticated the engineering design skills need to be, and for this reason classification by size remains a common practice worldwide. IFAD distinguishes between three sizes of dam, namely “small,” “medium” and “large,” defined as follows:

- Small: any dam of 5 m or less in height
- Medium: any dam of between 5 m and 15 m in height
- Large: any dam of more than 15 m in height.

In addition, any medium dam should be treated as a large dam if it meets at least one of the following conditions:

- its crest length is 500 m or greater;
- its reservoir capacity is 3 million m^3 or greater;
- its maximum incoming flood is 2,000 m^3/s or greater; or
- it is located in a zone of high seismicity.

(lxv) Classification by hazard potential

Notwithstanding the above, dams are also classified by “hazard potential.” In this context, it should be noted that “hazard” is not the same as “risk.” For example, a large dam may be rated a high hazard structure because its location is such that its failure could cause catastrophic loss of life and property downstream. However, the same dam also could be at a low risk of failure because it is well engineered, receives regular inspections and is exceptionally well maintained. In contrast, a smaller sized dam located miles from human habitation may be rated a low hazard structure by virtue of its location, yet be at a high risk of failure because it was poorly designed, has never been inspected and is poorly maintained.

For the purpose of this Guidance Note, three hazard classes are adopted, as summarized in table A2.

Table A2
Hazard potential classification for dams

Classification	*Loss of human life*	*Economic loss, environmental loss and/or disruption of livelihoods*
High	Probable (one or more expected)	Yes (but not necessary for this class)
Significant	None expected	Yes
Low	None expected	Low and generally limited to owner

A high hazard rating for a new or existing dam indicates a need to adopt more stringent design standards than might be applied to a lower hazard rating dam. For example, while the design engineer for a low hazard dam might select a spillway design flood return period of say 1 in 500 years, the same engineer might select a flood return period of one in 10,000 years for a high hazard dam. For the same reason, a high hazard structure indicates a need for a higher standard of instrumentation and more frequent inspections than might otherwise be the case because of the potential consequences of failure or misoperation.

(lxvi) Environmental and social categorization

The four environmental and social categories considered by IFAD (high risk, substantial risk, moderate risk, and low risk) are defined according to the likely significance of concerns.
For High Risk projects, SECAP require a full environmental and social impact assessment (ESIA) for the whole programme/project together with elaboration of an environmental, social and climate management plan (ESCMP) for implementation. However, in the case of a programme containing a number of dam subprojects, an environmental and social management framework (ESMF) for the overall programme will suffice, provided that an ESIA is prepared during programme implementation – and an ESCMP implemented – for each subproject that includes a large dam.
Projects with dams that are categorized as Substantial Risk are required to produce either an Abbreviated Environmental and Social Management Framework, or an Abbreviated Environmental and Social Impact Assessment.
Projects categorized as Moderate Risk are required to produce an Environmental and Social Management Plan, and Low Risk projects do not require an environmental and social assessment.

SOCIAL AND ENVIRONMENTAL ASPECTS OF DAMS

(lxvii) The World Commission on Dams

The World Commission on Dams was convened in the late 1990s to take up the growing debate at the time on the benefits and costs – especially the social and environmental costs – of large dams. The lessons learned were published in the Commission's 2001 report on *Dams and Development*.[1] The main messages include the following:

- Dams have made an important and significant contribution to human development and the benefits derived from them have been considerable.
- In too many cases, however, an unacceptable and often unnecessary price has been paid to secure those benefits, especially in social and environmental terms, by the people displaced, by communities downstream, by taxpayers and by the natural environment.

[1] World Commission on Dams, *Dams and Development: A new framework for decision-making* (London: Earthscan, 2000), https://www.internationalrivers.org/sites/default/files/attached-files/world_commission_on_dams_final_report.pdf.

- Lack of equity in the distribution of benefits has called into question the value of many dams in meeting water (and energy) development needs when compared with the alternatives.

Regarding the latter, the Commission observed that alternatives to dams do often exist and that the range of possible options should always be fully considered before deciding to invest in a dam. It also recommended that in the assessment process, social and environmental aspects should have the same significance as economic and financial factors.[2]
Although the Commission's focus was specifically on large dams, in many cases the lessons derived can be taken to also apply to smaller dams.

(lxviii) Social and environmental impacts

As mentioned, dams provide a variety of benefits, including water for irrigation, livestock and domestic supplies and fisheries, as well as flood mitigation – and all these activities have had significant impacts on poverty reduction. However, the potential adverse environmental consequences of dams are numerous and varied, and include direct impacts to the biological, chemical and physical properties of rivers and riparian environments. Dams act as barriers for the upstream and downstream movement of migratory river animals such as fish. They also act as barriers for sediment transport, trapping sediment that would otherwise naturally replenish downstream ecosystems. Dam construction for irrigation usually results in the loss of natural ecosystems in favour of irrigated farming. The control or attenuation of floods by a dam may destroy livelihoods that were previously based on flood recession cropping and/or dry season grazing that depended on seasonal flooding of the river floodplain.
Large dams have also historically led to the involuntary resettlement of people from their lands, and indigenous tribal and peasant communities have generally been the hardest hit. Those displaced by reservoirs and losing their homes, food sources and other natural resources are only the most visible victims of the dams. Many others have lost land and homes to the canals, irrigation schemes, roads, power lines and other developments that have accompanied the dams. And many, again, have suffered from the hydrological changes that dams bring to rivers and ecosystems. Again others have suffered from the upsurge in diseases that dam development can bring, including bilharzia, malaria and, in many cases, HIV/AIDS transmitted by migrant construction workers.[3]

(lxix) Potential for dam disasters

During the twentieth century, there were about 200 notable dam failures resulting in the loss of over 8,000 lives. Of these 200 failures, less than 40 were concrete or masonry dams and the remainder earth and/or rockfill dams. The fact that there were many more failures of earth dams than masonry or concrete dams was primarily due to three factors: (i) there were many more earth dams; (ii) masonry or concrete dams are typically built on more stable foundations; and (iii) masonry and concrete is an inherently stronger material than earth or rock fill.
The main causes of embankment dam failure are: overtopping during floods because of an undersized or obstructed spillway; inadequate provision for energy dissipation at the downstream end of a spillway; "piping"[4] of the embankment or foundations; and slope instability as a result of inadequate internal drainage. Piping has caused a larger number of catastrophic failures of embankment dams than any other cause, apart from overtopping.[5]

[2] This guidance statement, however, proceeds from a point at which the alternatives have been compared and discarded in favour of a dam.
[3] ILO has produced a *Code of Practice on HIV/AIDS and the World of Work* (https://www.ilo.org/aids/Publications/WCMS_113783/lang--en/index.htm), which sets out fundamental policy principles and gives guidelines for concrete responses. It is complemented by a manual on *Implementing the ILO Code of Practice on HIV/AIDS: An Education and Training Manual* (https://www.ilo.org/aids/Publications/WCMS_116497/lang--en/index.htm).
[4] "Piping" is the progressive erosion of concentrated leaks.
[5] James L. Sherard et al., *Earth and Earth-Rock Dams: Engineering problems of design and construction* (New York, USA: Wiley).

Many small earth embankment dams have failed on first filling through piping as a result of the use of dispersive soils and/or poor compaction. Masonry or concrete dam failures do, however, occur and typically result in massive property damage and significant loss of life. All types of dam are susceptible to earthquake damage and failure, as well as failure in the event of a landslide into the reservoir and consequent overtopping of the structure. All types of dams are also susceptible to sedimentation, leading to functional failure.

DAM SAFETY

(lxx) Objective of dam safety measures

Because there can be major consequences – including loss of life or injury, property losses and environmental damage – if a dam malfunctions or fails, IFAD places the utmost importance on the safety of new dams that it finances, as well as on the safety of existing dams upon which an IFAD-assisted project is directly dependent. To achieve this objective, IFAD will require the loan agreement to contain a covenant to ensure that dams and reservoirs are designed, constructed, operated, maintained, superintended and eventually decommissioned to the highest possible standard of safety appropriate to their size and hazard potential, to protect people, property and the environment from the harmful effects of possible failure.

(lxxi) Responsibility of owner

Every dam has an owner – who may be the national or local government, a parastatal, a private company, a private individual or a consortium of legal entities. In general, a "community" is not the owner of a dam – even if it is known as a "community dam" and even if the community has constructed the dam on its own initiative/at its own cost – unless it has adopted a legal identity, such as becoming a trust. Hence, in general, "community dam" is a misnomer: the legal "owner" in such cases is likely to be the local (or higher) administrative authority.

In most jurisdictions, the owner remains responsible for the safety of the dam throughout its life. The owner has a duty of care to take appropriate measures to ensure the safety of the dam, from investigation and design through construction, operation, maintenance, periodic inspections, emergency preparedness and eventual decommissioning. This duty of care includes ensuring that, as a workplace, the dam is safe for those engaged in its construction and those employed in subsequent operation and maintenance, as well as other persons who may enter the site, such as livestock herders, fishers and recreational users. It also includes making sure, if necessary by insistence on appropriate wording of construction contracts, that working conditions for all personnel employed in construction, operation and maintenance comply with the norms of good practice established for the construction industry and set out in the labour regulations of the country concerned.[6]

The dam wall should be fenced, and signs should be provided to warn the public of the particular depth of water there and possibly elsewhere in the reservoir. While the reservoir may seem to be a convenient point for drawing livestock and domestic water supplies, this should be discouraged on health grounds. Instead, if supplies are required, the project should include drinking troughs for livestock and a slow sand filter for humans, just downstream from the dam and supplied by gravity. These should remain the responsibility of the owner.

Where the owner is not IFAD's borrower, the latter must ensure that its obligations for dam safety are properly assumed by the owner under arrangements acceptable to IFAD.[7]

[6] IFAD and ILO. *Rural Development through Decent Work. Promoting decent and productive employment of young people in rural areas: A review of strategies and programmes*. Rome. http://www.fao.org/rural-employment/resources/detail/en/c/318064/

[7] If an entity other than the one with legal title to the dam site, dam and/or reservoir holds a lease or easement or licence to build and/or operate the dam (e.g. in a public-private-partnership), this will generally include delegated responsibility for safety.

(lxxii) Government's role

In addition to its possible responsibilities as owner of the dam, the government's role is the enactment and enforcement within its national legal system of such legislation, regulations, directives, and other standards and measures as may be necessary to effectively fulfil all of its national responsibilities and, where relevant, its international obligations regarding dams. These should include the enforcement of environmental law, including enforcement of environmental management/mitigation plans, as well as health and safety regulations.

(lxxiii) IFAD's role

IFAD's role is to finance the project in accordance with its own policies and operational procedures. It is responsible to its Governing Council to ensure, in close collaboration with the borrower, that dam safety procedures and SECAP are complied with throughout programme implementation and that it will provide support to national implementation teams to achieve this. IFAD's role is not, however, to direct, adjudicate on or take responsibility for technical decisions relating to the design, construction, commissioning, operation, maintenance or inspection of dams.

While responsibility for the technical adequacy and safety of IFAD-financed dams rests squarely with the owner and its technical staff/consultants, and while "no objection" does not imply approval or any sharing of the owner's responsibilities, IFAD will need regular and ready access to consistent, qualified engineering advice on all matters that it is not objecting to. Continuity will be key. This may require the engagement, on an as-required basis, of a dam engineer, either by the country programme manager or, depending on the anticipated demand, by the Production, Markets and Institutions Division.

(lxxiv) Design and construction of dams

New dams. When IFAD finances a project that includes the construction of a new dam, it requires the borrower to ensure that it is designed, and its construction is supervised, by suitably qualified and experienced engineers. It also requires that the borrower adopts and implements dam safety measures for the design, bid tendering, construction, operation and maintenance of the dam and associated works.

For small dams, generic dam safety measures (such as ensuring adequate spillway capacity, freeboard and protection of the downstream outfall, an adequate foundation key/cut-off, protection of the outlet works from differential settlement and leakage, upstream and downstream slopes appropriate to the properties of the material used for construction, adequate drainage, avoidance of unsuitable materials and adequate compaction under competent supervision) are usually all that is required, and the FAO irrigation and drainage paper[8] may be used as a reference. Nevertheless, the borrower should provide IFAD with details of the qualifications and experience of the civil engineer responsible for supervision for review.

The requirements for a medium-sized dam are more stringent. For such dams, IFAD requires that a suitably qualified and experienced independent consulting engineer, acceptable to IFAD, be engaged by the borrower to provide recommendations directly to the implementing agency on all aspects of the at final quality and compliance review stage at the key stages of the dam development, including:

- the specification for, and completion of, site investigations;
- detailed design of the dam and appurtenant works;
- preparation of the works specifications and bidding documents;
- excavation of the cut-off trench and outlet works; and
- construction of the dam wall, through to commissioning, filling and start-up of the dam.

[8] Food and Agriculture Organization of the United Nations, *Manual on Small Earth Dams: A Guide to Siting, Design and Construction* (FAO Irrigation and Drainage Paper No. 64) (Rome: FAO, 2010), www.fao.org/docrep/012/i1531e/i1531e00.pdf.

The consulting engineer will also review and comment on the operation and maintenance plan and emergency preparedness plan, as well the arrangements for periodic inspections. The consulting engineer's reports will be made available to IFAD during supervision missions for review and "no objection."

In the event that IFAD finances (or cofinances) a large dam, or finances a project that depends on the construction of a large dam, IFAD will require:

- reviews by an independent panel of experts (the panel) of the investigation, design and construction of the dam and the start of operations;
- preparation and implementation of detailed plans for construction supervision and quality assurance, instrumentation, operation and maintenance and emergency preparedness; and
- periodic safety inspections of the dam after completion.

The panel will consist of three or more experts, appointed by the borrower and acceptable to IFAD, with expertise in the various technical fields relevant to the safety aspects of the particular dam. The primary purpose of the panel should be to review and advise the borrower on matters relative to dam safety and other critical aspects of the dam, its appurtenant structures, the catchment area, the area surrounding the reservoir and downstream areas.

The borrower should contract the services of the panel and provide administrative support for its activities. Beginning as early in project preparation as possible, the borrower should arrange for periodic panel meetings and reviews, which should continue through the investigation, design, preparation of the specifications for the works, construction and initial filling and start-up phases of the dam. The borrower should inform IFAD in advance of the panel meetings, to which IFAD should normally send an observer. After each meeting, the panel should provide the borrower with a written report of its conclusions and recommendations, signed by each participating member, copied to IFAD for review and "no objection." Following the filling of the reservoir and start-up of the dam, IFAD would review the panel's findings and recommendations on the event. If no significant difficulties are encountered in the filling and start-up of the dam, the borrower would then disband the panel.

Existing dams and dams under construction. IFAD may finance projects that do not include a new dam, but that would rely on the performance of an existing dam or dam under construction. In this context, it should be noted that the fact that an existing dam has stood for years is not necessarily an indication that it will continue to do so. In such cases, IFAD would require that the borrower arrange for one or more (depending on the size and hazard rating of the dam) independent dam specialists to: (i) inspect and evaluate its safety status, its appurtenances and its performance history; (ii) review and evaluate the owner's operation and maintenance procedures, including its emergency preparedness plan; and (iii) provide a written report of the findings and recommendations for any remedial work or safety-related measures necessary to upgrade the existing dam or dam under construction to an acceptable standard of safety.

All necessary additional dam safety measures or remedial work should be financed under the proposed project. When substantial remedial work is needed, IFAD requires that: (i) the work be designed and supervised by appropriately qualified and experienced engineers; and (ii) the same reports and plans as for a new IFAD-financed dam be prepared and implemented. For high-hazard cases involving significant and complex remedial work, IFAD would also require that an independent consulting engineer or panel of independent experts be employed to inspect the work on the same basis as for an IFAD-financed new medium or large dam.

Accounting for the impacts of climate change. Of the three potentially adverse impacts of climate change on dams, i.e. increased floods, reduced inflows and increased evaporation, it is the first of these that impacts directly on dam safety since the magnitude of floods and their return periods determine the validity of the spillway design flood. To try to put a value on the additional allowance that should be made for climate change is, however, problematic

since, apart from anything else and with due respect to hydrologists, the estimation of probable maximum flood for any given location in the world remains an imprecise science. This is particularly so for dams other than major dams because it is rare indeed to come across a dam site for which anything other than fragmented hydrological data are available.[9] The spillway width and freeboard is usually designed using a flood return period selected on the basis of the hazard rating of the dam. The spillway of a major dam such as Kariba (in Zambia and Zimbabwe), for example, would normally be designed on the basis of an estimated probable maximum flood (equivalent to a 1:10,000-year flood). But the spillways of many lower hazard rating dams, including large dams, are often designed for much smaller floods of, say 1:500 years or 1:1,000 years return period. Given the problem of estimation referred to above, the best approach for the time being would be to initially ignore the impact of climate change, adopt the same design parameters as before, but then carry out a "what if" check to see how an increase in return period affects the required freeboard or spillway width.[10] A value judgement by a qualified and experienced engineer can then be made on whether to increase the dimensions.

In addition to the above impacts, climate change may also impact negatively on the average amount of rainfall that hitherto would have contributed to the moisture available to a crop. The effect of this would be an increase in the average net irrigation requirement per unit area of crop and, other things being equal, a reduction in the average area that could be irrigated from the dam. This needs to be taken into account when estimating net benefits, although for the time being the allowance that should be made can only be conjectural.[11]

Selection of engineers and other professionals. The constant theme throughout this guidance statement is that dams are complex and hazardous structures. It cannot be overemphasized how important it is to ensure that their design, construction operation, maintenance, surveillance and eventual decommissioning are carried out only by appropriately qualified and experienced engineers and other professionals, such as hydrologists, geotechnical engineers and geologists. The key is to employ engineers and others with the qualifications and experience appropriate to the height and hazard potential of the dam concerned.

Thus, if the intention is to design and construct a small earth dam of the type described in FAO's *Manual on Small Earth Dams* (i.e. of height less than 5 m) (FAO, 2010), responsibility for design and construction supervision may be assigned to a relatively inexperienced junior engineer or technician, preferably one who has had the benefit of at least a short course in dam construction (Table A.3.), under the guidance of a more experienced civil engineer.

The design and construction supervision of medium-size dams must be carried out by a more experienced civil engineer, who should be supervised by a senior civil engineer with at least 10 years' professional experience in dams, who should inspect and approve all detailed drawings and be available to visit the site and advise the younger engineer in the event that unusual conditions are encountered. The assistance of an experienced hydrologist would normally be required to advise on flood estimation.

For any dam larger than 15 m – i.e. for any large dams – a step up in experience is required. Design and full-time construction supervision should be provided by a senior civil engineer, who should be responsible to an even more experienced dam engineer of at least 15 years' standing. The engineers should be supported by a hydrologist, engineering geologist and other specialists as required.

[9] The term "major" here refers to strategic importance and not size.

[10] See Food and Agriculture Organization of the United Nations, Climate Change, Water and Food Security (Water Reports, No. 36) (Rome: FAO, 2011), http://www.fao.org/3/i2096e/i2096e00.htm. The first paragraph of the executive summary says that: "The levels of risk associated with rainfall and run-off events can only be determined with provisional levels of precision. These may not be sufficient to define specific approaches or levels of investment (e.g. the costs of raising the freeboard on an hydraulic structure) in many locations."

[11] That said, some countries are making progress in modelling the impact of climate change at the basin level and results may be available in some cases for use in the hydrology analysis.

Table A.3

Level of engineering expertise required for the design and construction of dams

Classification of dam	*Expertise required*	
	Site investigation/design/ construction supervision	*Overall technical guidance/direction*
Small	Junior engineer/technician having undergone a short course in dams as part of the training	Civil engineer with > 5 years' experience of design and construction of dams
Medium	Civil engineer with > 5 years' experience of design and construction supervision of similar or larger dams	Senior civil engineer with > 10 years' experience in design and supervision of dams
Large	Full-time senior civil engineer with > 10 years' experience, with most of that experience in the design and construction of similar or larger dams	Senior civil engineer with > 15 years' experience, with most of that experience in the design and supervision of dams

It does not matter where the staff are sourced (i.e. whether from the relevant government department or from the private sector), provided that they are qualified in their respective fields and have experience appropriate to the size of dam proposed. However, while suitably qualified and experienced staff for the smaller dams are likely to be found in government departments, qualified private consulting companies will more than likely be needed for the larger dams.

The independent panel of experts required for all large dams should be composed of a dam engineer specialized in the type of dam to be constructed (e.g. an arch dam specialist for an arch dam and so on), hydrologist, geotechnical engineer, engineering geologist, and any others with expertise in the various technical fields relevant to the safety aspects of the particular dam. Each member of the panel should be an internationally recognized high-level specialist in his or her respective field.

(lxxv) Operation and maintenance

The responsibility borne by the owner of a small dam is the same for the owner of a medium or large dam, because all dams must be operated and maintained regardless of their size. The only difference is in the scale of the work involved. IFAD requires that, for any dam that it finances – whether large, medium or small or high or low hazard – an operation and maintenance manual is prepared during the construction stage, to be ready for immediate use upon completion of the work and first filling of the dam. The intention will be to: (i) define practices that will ensure safe operation; (ii) specify a maintenance programme appropriate to the hazard rating of the dam to ensure timely repair of the facilities; and (iii) identify who is responsible for operation and maintenance of the dam on behalf of the owner, from day to day and in terms of engineering.

The operation and maintenance manual will be submitted to IFAD (and, in the case of a large dam, also to the independent panel of experts) for review prior to the completion of construction. The operating manual should cover the functions of the dam and reservoir and describe the procedures to follow to ensure dam safety during flood conditions. Operational procedures should be specified that ensure:

- inflows do not endanger the dam structure (e.g. by overtopping);
- outflows achieve the required environmental (compensation) flow rate where this is applicable; and
- outflows are delivered in such a way as not to endanger the dam or to cause damage downstream.

The borrower should ensure that there is extra vigilance during the first filling of the dam, as this process may expose weaknesses that require the dam to be drained.

In some cases, the owner may have to take security measures to protect structures from damage by vandals or saboteurs, as well as from unauthorized operation of outlet or spillway gates. For dams with a significant or high hazard potential, the owner must ensure that effective communications are maintained between the site and relevant government departments, as well as with the emergency services.
The owner should prepare a maintenance schedule, with instructions and checklists indicating the required procedures for each component of the dam. Protective measures for an embankment dam are likely to include:

- Generally minimizing erosion by: (a) establishing and maintaining grass cover on the embankment and spillway; and (b) fencing the embankment, spillway and other sensitive areas to keep livestock and people from establishing paths;
- Preventing the growth of bushes and trees on the embankment; and
- Making ongoing minor repairs of erosion damage.

Special attention should be given to known problem areas, and incident-specific maintenance instructions should be issued following floods, earthquakes and other natural phenomena.
Operation and maintenance personnel should be selected on the basis of their capability to acquire the knowledge needed to perform the many functions of operation and maintenance, should be trained for their duties at each specific project, and should enjoy similar, if not better, working conditions to those employed earlier on the construction of the subproject. The owner's engineer should also ensure that maintenance staff possess the requisite skills to ensure that any repair works are carried out to the same, or higher, standard as the original works and provide adequate supervision to ensure that this is achieved.

(lxxvi) Periodic inspection programme

The purpose of a periodic inspection programme is to check the structural integrity of a dam and appurtenant structures on an ongoing basis throughout their operating life, and to ensure protection of human life and property. Periodic inspections are intended to detect conditions that might disrupt operation or threaten dam safety in time for them to be corrected.
As indicated in Table A.4, three levels of periodic inspections will be required: "informal," "intermediate" and "formal/special".
Generally, the required frequency of each type of inspection will depend on the rated hazard potential of the dam. However, to encourage discipline and consistency in the inspection programme, the proposed schedule should be specified in the operation and maintenance manual, listing each feature to be inspected.
Although, in general, IFAD would not be involved in or concerned with inspections (since these would mostly take place after the project has closed) it would instead seek assurances at loan negotiations that the borrower will ensure that the requirement for regular periodic inspections would be subsequently respected.

Table A.4

Level of periodic inspections and engineering expertise required

Level of inspection	*Purpose*	*Frequency*	*Carried out by*	*Reporting to*
Informal inspections	To have, as far as practicable, continuous surveillance of dam, to identify and report abnormal conditions in accordance with instructions	Frequent observations of dam and appurtenances scheduled according to hazard potential of the dam. Schedule modified if necessary by owner's engineer to respond to	Operating personnel at dam, such as dam superintendent, extension officer, water user association officers or the like, as integral part of operation and maintenance activities.	Owner/owner's engineer

	prepared by owner's engineer	any changing conditions.		
Intermediate inspections	Thorough inspection of the dam and appurtenant structures, as well as review of the last formal inspection	Annually for dams rated as having a significant or high hazard potential; at most biennially. Frequency may be reduced by the owner's engineer to once every five years for lower hazard dams.	Qualified engineers experienced in design, construction, operation and maintenance of dams, and trained to recognize abnormal conditions. Dam operator should participate.	Owner/owner's engineer
Formal and special inspections	To determine if the structure meets current accepted design norms and practices	Interval of five years or less for dams rated as significant or high hazard potential, although depending on their history, some dams may require more frequent inspection. Special inspections must be carried out immediately after the dam has passed a large flood or after the occurrence of a significant earthquake, sabotage or other unusual event.	Formal and special inspections should be conducted under the direction of a high-level specialist dam engineer and other specialists, selected on a site-specific basis considering the nature and type of the dam.	Owner/owner's panel of experts

(lxxvii) Emergency preparedness plan

IFAD requires that an *emergency preparedness plan* be prepared for all dams with a "significant" or "high" hazard potential. This plan should specify the roles of parties responsible for the safety of a dam if and when failure is considered imminent, or when the expected operational flow release threatens downstream life, property or economic operations. The plan will include the following items:

- clear statements on the responsibility for dam operations decision-making and for related emergency communications;
- maps outlining inundation levels for various emergency conditions;
- flood warning system characteristics; and
- procedures for evacuating threatened areas and mobilizing emergency forces and equipment.

The broad framework of the plan and an estimate of the cost of preparing the plan in detail should be provided to IFAD prior to project design completion. The plan itself should be prepared during implementation and given to the panel of experts (in the case of a large dam) and IFAD for review not later than one year before the projected date of initial filling of the reservoir.
Emergency action planning is likely to be of less importance for small dams with a low hazard rating.

(lxxviii) Decommissioning

Decommissioning of a dam would eventually be required when it has reached the end of its economic life. In such cases, the dam must be entirely removed or at least made incapable of storing any water temporarily or permanently. Decommissioning other than by removal is normally done by breaching one or more sections of the dam wall or embankment. The owner would remain responsible for the safety of the dam while it is in the process of

removal/decommissioning – and indefinitely thereafter if it is not removed. Even though removal/decommissioning may not be carried out until two or three decades after construction, IFAD should seek an assurance that when the time comes the owner of the dam would exercise due diligence and comply with national regulations for safeguarding: (i) any affected persons; and (ii) the environment. This should include a removal/decommissioning plan based on professional engineering advice to ensure that, to the satisfaction of the environmental authority:

- the breaching process would be carried out safely, both in terms of the dam itself and in terms of potential damage or loss of life downstream;
- the unbreached section would be left in a permanently stable condition;
- the proposed breach would be wide enough not to impound significant quantities of water under flood conditions; and
- stability of the sediment deposits within the reservoir area would be assured before commencement of the breaching operation.

The plan should also include proposals for reinstatement and/or regeneration of the inundated area.

DAMS, THE IFAD PROJECT CYCLE AND SECAP

(lxxix) The basic process for a single large or medium-size dam project

The various stages of SECAP, the dam development process and how these should fit into the IFAD project cycle are shown in table A.5, assuming that the overall project consists of a single dam

Table A.5

Overview of IFAD's project cycle, SECAP and basic dam development and safety process

IFAD's project cycle							
COSOP	Concept note	Design review meeting	Final quality and compliance review stage	Negotiation and approval		Implementation and monitoring and evaluation	Evaluation
Dam development and safety process							
If practicable, identification of a potential programme from a long list of potential dam projects/subprojects Documentation of the national procedures governing dam safety	Prefeasibility studies and hazard potential rating for the most promising potential subprojects. Selection of subprojects for feasibility studies, taking account of environment, social and climate screening.	Preliminary site investigations and feasibility studies (large or medium-size dams).	Finalization of proposed capacity, provision for sedimentation storage, reservoir yield estimates, cropping patterns, marketing/value chain arrangements, farm budgets, cost estimates, financial and economic analysis and institutional and governance arrangements.	Negotiation and agreement of loan covenants for institutional responsibilities for dam ownership, operation and maintenance, inspections and safety.		Appointment of high-level panel (large dam), or independent consulting engineer (medium-size dam) for independent reviews. Implementation of detailed engineering designs, tendering, award of construction contracts; supervision of construction; preparation of the operation and maintenance manual, including periodic inspection schedule; preparation of emergency preparedness plan.	Ongoing dam operation, surveillance, maintenance and periodic inspections
SECAP							
	Step 1	Steps 2 and 3	Step 4	Step 5	Step 6	Step 7	Step 8
SECAP-COSOP preparatory study (if required)	Environment, social and climate screening of project; prepare SECAP review note	Carry out relevant studies according to project categorization; update SECAP review note	Review studies as required	Loan negotiations; covenants for implementation of ESCMP/RAP/IPP	Executive Board approval	Project supervision and implementation support; implementation of ESCMP/RAP/IPP	Project completion ex post ESIA

Note: COSOP = country strategic opportunity programme; ESCMP = environmental, social and climate management plan ; ESIA = environmental and social impact assessment; IPF = indigenous peoples framework; IPP = indigenous peoples plan; RAP = resettlement action plan; SECAP = social, environmental and climate assessment procedures.

The dam development process for large and medium-size dams follows a natural sequence, beginning with identification (possibly within a country strategic opportunities programme, COSOP) to prefeasibility studies, feasibility studies, preliminary design, detailed design, tender documentation, bidding, construction, commissioning, and operation and maintenance. The eight steps of SECAP begin with environmental and social categorization of the dam through preparation the relevant assessment studies (see Section 2 of SECAP Volume 1).

As may be seen, the feasibility study for any large or medium-size dam must be completed in time for final quality and compliance review. The question is how to finance this substantial work prior to loan agreement. In some countries, most of the necessary preliminary studies may have already been completed by the borrower, with or without external assistance, and little further preparation work is required to allow completion of the project design report. In such cases, IFAD may fund the remaining work (such as environmental screening and preparation of an ESCMP) from its regular budget.

(lxxx) The process for a project comprising a number of dam subprojects

A more likely scenario is that a proposed project would consist of a number of discrete subprojects, including large and medium-size dams, some of which have been studied to feasibility level. Provided that, by the time of the concept note approval: (i) 25 per cent (or a minimum of one subproject, whichever is greater) of the proposed subprojects are already prepared to feasibility level; (ii) the respective feasibility reports for these subprojects indicate that they are suitable for investment; (iii) the remaining 75 per cent of the subprojects identified have been studied to prefeasibility level; and (iv) the 25 per cent is representative of the remaining 75 per cent, the overall project may be considered ready for implementation.[1]

The process then required is depicted in figure A.1. It begins with identifying which, if any, of the subprojects have had an ESIA, satisfactory to IFAD and the borrower, carried out. The remaining subprojects listed would then be subjected to an environmental and social screening for categorization. On this basis, a SECAP review note would be prepared, including the draft terms of reference for the preparation of an Environmental, Social and Climate Management Framework (ESCMF) for the overall project, to be funded by IFAD from its regular budget. The concept note would then be prepared and submitted to the Operational Strategy and Policy Guidance Committee (OSC).

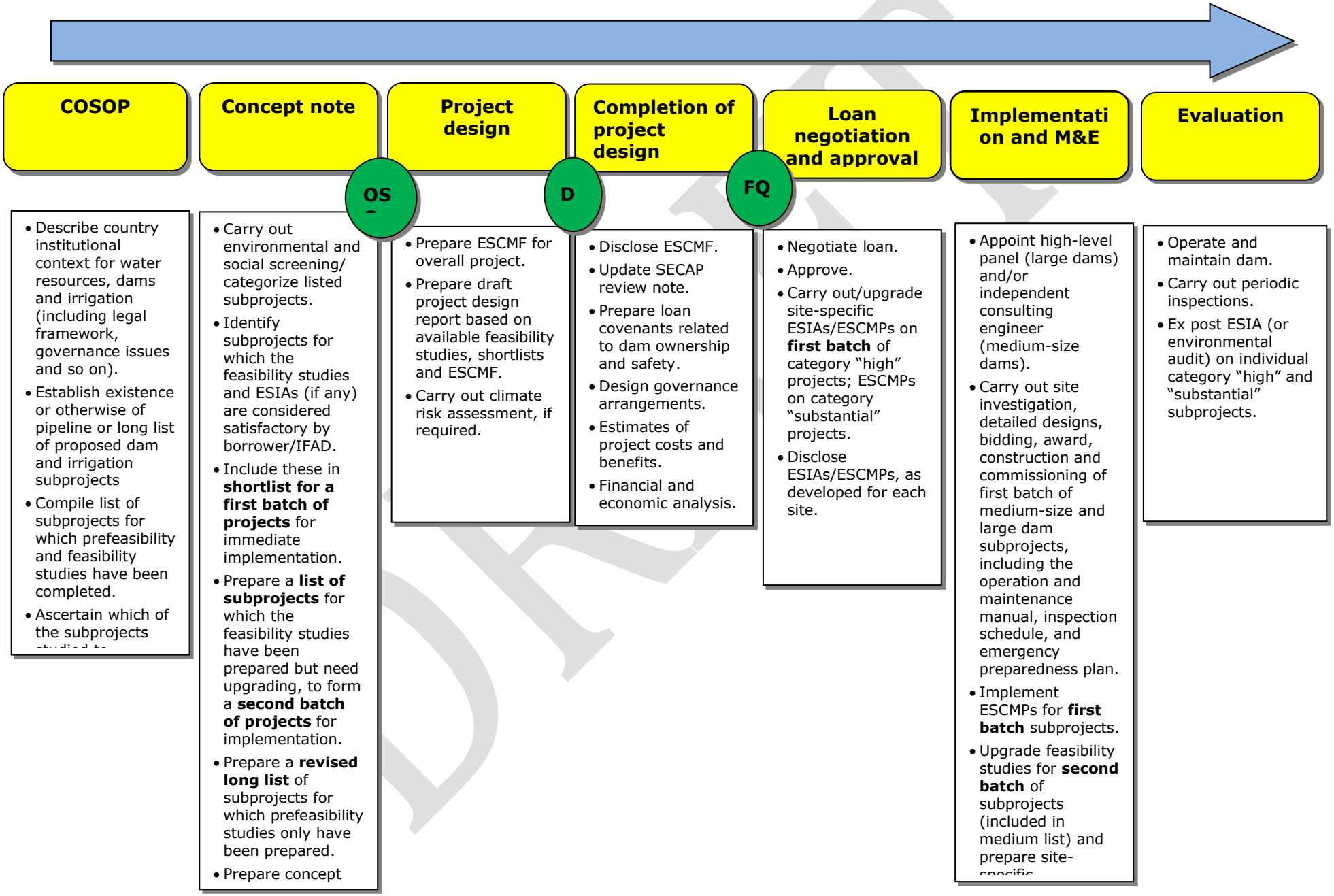
The concept note would contain a shortlist of subprojects for which the feasibility studies and ESIAs (if any) are considered satisfactory by the borrower/IFAD, to become the first batch of projects for implementation immediately upon the loan signature. It would also contain a list of subprojects for which the feasibility studies have been prepared but need upgrading, to form a second batch of subprojects for implementation after the studies have been upgraded. Finally, it would list the subprojects for which prefeasibility studies only have been prepared.

During the next stage of project design, the ESCMF would be prepared for the overall project. The project design report would then be drafted on the basis of this and the available feasibility/prefeasibility studies for submission to the design review meeting. Thereafter, the ESCMF would be disclosed, the SECAP review note would be updated and the project design report finalized for submission to the final quality and compliance review panel. Meanwhile, the loan covenants – including those pertaining to dam ownership and safety – would be drafted.

Once the loan has been negotiated and approved, a retroactive financing advance should be sought to cover the cost of carrying out/upgrading site-specific ESIAs/ESCMPs on High Risk subprojects, and Abbreviated ESIAs/ESCMPs on Substantial Risk subprojects within the first batch of subprojects for implementation. These would then be disclosed. Implementation of the first batch of subprojects, commencing with detailed design, would follow project start-up and upgraded feasibility studies would be launched for the second batch of subprojects for subsequent implementation.

[1] If no subprojects have been prepared to the feasibility level by the time of the concept note, it is unlikely that the project could proceed. Instead, a source of finance should be sought to cover the cost of bringing a representative sample to the feasibility level.

Figure A.1 - SECAP approach to the dam development cycle: flow chart for an IFAD project with multiple dam subprojects



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Guidance Note 7: Physical and economic resettlement

YY. 1. Introduction

As outlined in its strategic framework, IFAD's overarching development goal is to invest in rural people to enable them to overcome poverty and achieve food security through remunerative, sustainable and resilient livelihoods.[1] Standard 7: Physical and economic resettlement (standard 7) recognizes that increasing investments in the rural sector may at times involve project-related land acquisition and restrictions on land use – actions that, if improperly managed, may have adverse impacts on communities and persons, including physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood) or both. The term "involuntary resettlement" refers to these impacts. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement.

Experience and research indicate that physical and economic displacement, if unmitigated, may give rise to severe economic, social, and environmental risks: production systems may be dismantled; people may face impoverishment if their productive resources or other income sources are lost; people may be relocated to environments where their productive skills are less applicable and the competition for resources greater; community institutions and social networks may be weakened; kin groups may be dispersed; and cultural identity, traditional authority and the potential for mutual help may be diminished or lost.[2]

Standard 7 highlights that individuals and communities who are marginalized, dependent on local natural resources and/or secure lack tenure may be particularly vulnerable to impacts in the context of displacement. Mismanaged displacement may undermine IFAD's efforts to increase poor rural people's productive capacities and advance human and sustainable development.

Standard 7 is aimed at ensuring that displacement is avoided whenever possible. It also recognizes that when displacement cannot be avoided its scale must be minimized and that this

[1] IFAD, *IFAD Strategic Framework 2016-2025: Enabling inclusive and sustainable rural transformation* (Rome: IFAD, 2016), https://www.ifad.org/en/strategic-framework.

[2] World Bank, *ESS 5: Land Acquisition, Restrictions on Land Use, and Involuntary Resettlement* (Washington, D.C., 2018), para. 2, http://documents1.worldbank.org/curated/en/294331530217033360/pdf/ESF-Guidance-Note-5-Land-Acquisition-Restrictions-on-Land-Use-and-Involuntary-Resettlement-English.pdf.

must be done in a way that does not increase socio-economic risks or otherwise negatively impact a community, ensuring that affected persons are compensated fairly prior to any displacement.

When displacement has been identified as necessary and cannot be avoided, it must be pursued and performed in a manner that is consistent with the requirements of standard 7 and international and national standards. These standards require full justification and other forms of legal protection and prescribe that displacement occurs only in exceptional circumstances, and then supported with relief, relocation and full and fair compensation.[3] Risks related to potential displacement should be systematically assessed and shall result in the preparation of a (abbreviated) resettlement action plan or framework.

Standard 7 recognizes that projects involving displacement can, and should, improve the standards of living of the displaced. Standards can be improved, for example, by increasing economic opportunities, enhancing tenure security, increasing access to needed natural resources and means of production and other measures.

Standard 7 prohibits forced evictions in IFAD-supported projects, a standard that is reflected in several international legal instruments. Standard 7 also recognizes that risks of displacement are often linked to the absence of legally secure tenure and the lack of recognition of rights of indigenous peoples and historically underserved local communities and other communities with strong ties to land and resources and customary tenure systems that have not been recorded, titled and/or are not receiving protections. Standard 7, together with standard 4 on indigenous peoples and historically underserved local communities, promotes appropriate recognition and protection of these tenure rights consistent with existing obligations under national and international law. Where projects pose displacement risks to indigenous peoples and historically underserved local communities, standard 4 also applies.

Infrastructure development and expansion of agricultural and industrial activities often require significant land acquisition and are often key drivers of physical and economic displacement. As IFAD engages in building rural infrastructure and agricultural capacity, it screens for any displacement risks and seeks to avoid it wherever possible.

This guidance note provides operational guidelines for addressing the requirements of standard 7 throughout the IFAD programming cycle. Section 2 provides a brief overview of key steps in addressing standard 7 requirements and general information on key roles and responsibilities and the objectives of standard 7 in the context of IFAD's Social, Environmental and Climate Assessment Procedures (SECAP).[4]

Section 3 provides an introduction and cross-referencing of requirements for each of the standard 7 questions of the SECAP screening checklist. Section 4 provides guidance on addressing each of the specific standard 7 requirements during the social and environmental assessment and management planning process. The note concludes with a short section on relevant standard 7 monitoring issues (section 5). Annex I provides an outline for a (abbreviated) resettlement action plan/framework. Annex II provides links to further resources and templates.

ZZ. 2. Key steps, roles and responsibilities

Table 1 provides a short overview of the key steps in the process for addressing the requirements of Standard 7: Physical and economic resettlement.

[3] See United Nations, *Basic Principles and Guidelines on Development-based Evictions and Displacement: Annex 1 of the report of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living*; A/HRC/4/18 (New York, USA: United Nations) https://www.ohchr.org/Documents/Issues/Housing/Guidelines_en.pdf.

[4] IFAD, *Social, Environmental and Climate Assessment Procedures: Volume 1* (Rome: IFAD, 2020). [INSERT LINK WHEN AVAILABLE].

Table 1 - Quick overview of the key steps in the process for addressing the requirements of Social, Environmental and Climate Standard 7: Physical and economic resettlement

Screen potential risks

- Screen proposed projects using the SECAP screening checklist to identify potential risks of physical and economic displacement.
- Categorize project risk (low/moderate/substantial/high).
- Develop a stakeholder engagement plan and start early consultations to ensure that people are fully informed and have an opportunity to express their views and have their questions answered. The consultations ensure that people's concerns are addressed and that their ideas are taken into account when decisions are made.
- Identify and initiate free, prior informed consent (FPIC) processes for projects that may have an impact on the land access and use rights of rural communities; where indigenous peoples and historically underserved local communities may be affected, also apply requirements of standard 4 and follow FPIC requirements.

Assess potential risks and impacts

- For moderate-, substantial- and high-risk projects, conduct an appropriately scaled environmental and social assessment. Identify displaced persons directly and indirectly impacted by the project and evaluate risks to food security.
- Develop a (abbreviated) resettlement action plan (RAP) or framework (RAF), including a census and socio-economic survey, that specifies the procedures and actions to mitigate adverse effects, compensate losses and provide development benefits to affected persons and communities.

Mitigate, manage and monitor risks and impacts

- Apply the precautionary principle and mitigation hierarchy.*
- For moderate-, substantial- and high-risk projects, develop a (abbreviated) RAP/RAF that stipulates entitlements, compensation and assistance designed to improve or at least restore livelihoods of displaced persons.
- Ensure an accessible, effective grievance redress mechanism is available and responsive.
- Implement a monitoring framework.

***** The mitigation hierarchy is applied by (a) anticipating and avoiding risks and impacts; (b) where avoidance is not possible, minimizing or reducing risks and impacts; (c) once risks and impacts have been minimized or reduced, mitigating them; and (d) where residual adverse impacts remain, compensating for or offsetting them, where technically and financially feasible.

2.1 SECAP roles and responsibilities

The roles and responsibilities outlined in table 2 describe the major functions of IFAD project delivery teams (PDTs) and the borrower/recipient/partner in the SECAP process during project identification, preparation and implementation. [5]

Table 2 - Roles and responsibilities of IFAD project delivery teams and the borrower/recipient/partner in the social, environmental and climate assessment procedures process

Project stage	*IFAD PDT*	*Borrower/recipient/partner*
Identification, preparation and development	• Overseeing application of SECAP processes, including gender mainstreaming. • Screening projects to determine if they trigger all safeguard standards,	• Providing accurate, reliable and timely information required in the SECAP screening checklist. • Designing, planning and preparing project concepts and proposals according to SECAP requirements.

[5] Further information is provided in section 1.3 of IFAD, *Social, Environmental and Climate Assessment Procedures: Volume 1* (Rome: IFAD, 2020). [INSERT LINK WHEN AVAILABLE].

Project stage	*IFAD PDT*	*Borrower/recipient/partner*
	including whether a full or abbreviated ESIA is required. • In addition to the environmental and social screening and categorization process, a parallel exercise should be undertaken by PDTs to determine the exposure and sensitivity of the project objectives to climate-related risks, based on available information about historic climate-hazard occurrences, current climate trends and future climate-change scenarios. • Reviewing and assessing the ESIA terms of reference, the ESIA document/report and project-level plans, including the adequacy of the assessment of project impacts and the proposed measures to address issues to ensure they meet applicable safeguard standards, prior to project approval. • Approving project concept based on a determination that safeguard issues have been adequately addressed. If adverse environmental or social impacts outweigh the expected benefits, IFAD shall not support the project. • Disclosing of ESIA and project-level plans through the IFAD website.	• The costs for preparing the (abbreviated) background studies (feasibility studies, ESIAs, RAF/RAP, etc.) will be financed by the borrower/recipient/partner. Upon a written request by the borrower/recipient/partner, studies and assessments may be financed through the Faster Implementation of Project Start-up instrument. For project-level assessments ((abbreviated) ESCMF, ESCMP, ESIA, RAF/RAP, FPIC plan, indigenous peoples plans, environment and social audit and/or ex post ESIA, as required) undertaken during project implementation, the associated costs will be included in the project cost, including the cost for ensuring meaningful community participation. • Overseeing the ESIA process, and preparation of project management plans resulting from application of the standards and requirements of SECAP. • Implementing all required consultations with project stakeholders, including informing affected communities and explaining the project to them; incorporating feedback from and changes agreed with them; and obtaining and documenting their free, prior and informed consent.
Implementation	• Reviewing and monitoring of implementation of financial, technical and project-level plans, including through project kick-off/launch workshops, supervision missions, midterm reviews, field visits, audits and follow-up visits as appropriate to the scale, nature and risks of the project. • Working with the borrower/recipient/partner to identify and plan for corrective measures that achieve the results and uphold the safeguard standards expected under each project, in cases when a project review finds that the borrower/recipient/partner is not following project-level plans (i.e. any of the safeguard-related management plans required). If these measures do not succeed in correcting the deficiencies, IFAD may withhold payment or suspend or cancel the grant/loan, as appropriate.	• Executing project management plans and monitoring the effectiveness of risk mitigation measures; ensuring compliance with and adherence to all safeguards outlined in each of the plans, and undertaking corrective measures in cases where plans have not been executed satisfactorily or where negative or adverse impacts have arisen despite efforts to adhere to project plans. • Informing project-affected local authorities, other stakeholders and IFAD on project progress and on any unexpected and unintended events affecting those communities, in accordance with project-level plan requirements and the project's agreed-upon reporting schedule. • Incorporating feedback from project-affected parties and providing and documenting the process to obtain their free, prior and informed consent to any changes in the project plan. • Producing a project completion report to document safeguard monitoring.

Project stage	*IFAD PDT*	*Borrower/recipient/partner*
	• Disclosing completed project evaluations and results through the IFAD website (following donor acceptance, and subject to exclusion of proprietary and personal information).	

ESCMF = environmental, social and climate management framework; ESCMP = environmental, social and climate management plan; ESIA = environmental and social impact assessment; FPIC = free, prior and informed consent; PDT = project delivery team; RAF = resettlement action framework; RAP = resettlement action plan; SECAP = Social, Environmental and Climate Assessment Procedures

2.2 Objectives and requirements

The requirements set out in Standard 7: Physical and economic resettlement of SECAP are designed to achieve the following objectives:

- Avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring feasible alternative project designs and sites;
- Avoid forced eviction;
- Ensure that resettlement activities are planned and implemented collaboratively, with meaningful participation of those affected;
- Enhance and restore the livelihoods[6] of all displaced people who may be affected by project/programme activities; and
- Provide explicit guidance to borrower/recipient/partner on the conditions that need to be met regarding involuntary resettlement issues.

The requirements contained in standard 7 seek to further these objectives and should be carefully reviewed in order to inform project screening and development. This guidance note provides further guidance on the various standard 7 requirements.

AAA. 3. Screening

The requirements of standard 7 should be considered and addressed in an integrated manner during the screening process, using the SECAP screening checklist to determine whether project activities may pose displacement risks. If moderate, substantial or high risks are identified during screening, then relevant standard 7 requirements should be addressed in project design and implementation, including as part of the overall impact assessment, management and mitigation, and monitoring activities.

Screening helps to determine whether potential displacement risks related to land acquisition and use will be a major project issue and, if so, what features of the project require further study and assessment. This process can be complex and therefore often requires the judgement of qualified and experienced social experts with direct experience and knowledge on land acquisition, resettlement of communities, gender, social inclusion, social impact assessment, etc. in the project country and region.

Table 3 provides some cross-referencing of SECAP physical and economic displacement screening questions and sections of this guidance note.

[6] For the purpose of this standard, livelihoods restoration is understood to entail restoring to, at the very least, pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

Table 3 - SECAP physical and economic displacement screening questions[a] and standard 7 requirements

	Reference to key standard 7 requirements and sections of this guidance note
Would the project potentially involve or lead to:	
1. Temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)?	See section 4, and all requirement paragraphs
2. Economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	See section 4, and all requirement paragraphs
3. Risk of forced evictions?	See Paras. 8 & 9
4. Impacts on or changes to land-tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources?	See section 4, and all requirement paragraphs. See also the guidance note on Standard 4: Indigenous peoples and historically underserved local communities

[a] Note: the requirements of standard 7 are interrelated and multiple requirements may apply to any one of the risk questions. However, to facilitate addressing the questions, key relevant standard 7 requirements are highlighted here.

BBB. 4. Addressing physical and economic resettlement requirements in assessment and management planning

If screening indicates that standard 7 is applicable for the project, potential impacts from changes in land use should be examined as an integral aspect of the project's social and environmental assessment. In addition, specific resettlement planning needs to be carried out. Ideally, these processes are carried out alongside each other, as the work is usually completed in the same areas and communities and with involvement of some of the same stakeholders. Resettlement plans must also be well-aligned with other project plans, particularly environmental and social management plans, construction management plans, stakeholder engagement plans and so on.

Experienced experts will need to be engaged to assess social impacts and to assist in the development of a RAP or RAF.

Table 4 provides a brief overview of the key principles and steps involved in the resettlement planning process.

Table 4 - Key principles and steps involved in the resettlement planning process

Avoid and minimize displacement	• Consider alternative project designs to avoid or, if not possible, minimize project-induced physical and/or economic displacement. • Develop appropriate compensation, resettlement and livelihood-restoration action plans where displacement is unavoidable (resettlement action plan/framework).
Ensure informed and meaningful participation and FPIC	• Ensure that compensation, resettlement and livelihood-restoration activities are planned and implemented with appropriate disclosure of information, consultation and the informed participation of those affected throughout the project cycle. • Ensure FPIC processes are developed and consent agreements reached for investment projects that may have an impact on the land access and use rights of rural communities (for projects that may pose displacement risks to indigenous

	peoples and historically underserved local communities, see the standard 4 guidance note).
Assess and mitigate impacts	• Undertake census and socio-economic surveys to identify the number of displaced persons directly and indirectly impacted. • Mitigate adverse impacts from land acquisition or restrictions on affected persons' use of and access to land, physical assets or natural resources by providing compensation for loss of assets at replacement cost, prior to taking possession of acquired assets. • Assess impact on food security, people's ability to access nutritious food, water, sanitation and hygiene and food supply chains. • Improve or, at a minimum, restore the livelihoods, income-earning capacity and standards of living of displaced persons, including those who have no legally recognizable rights or claims to the land (who were present in the project-affected area at the time of the cut-off date), to pre-project levels and support them during the transition period. Define entitlements and eligibility criteria and how compensation and rehabilitation measures will be structured. • Ensure compensation and assistance is provided prior to any displacement. • Make special provisions for assisting disadvantaged or vulnerable individuals or groups such as elderly, women and children, people with disabilities (who were present in the project-affected area at the time of the cut-off date) that may be more adversely affected by displacement than others and who may be limited in their ability to take advantage of livelihood assistance and related development benefits. • Consider gender-based differential impacts of resettlement, recognizing that women have different needs and access to resources and decision-making than men. • Explain how resettlement costs will be financed, including costs for land acquisition, resettlement, income restoration, implementation and administration, and monitoring.
Grievance redress	• Establish a grievance mechanism to receive and address in a timely fashion specific concerns about compensation and relocation that are raised by displaced persons, including a recourse mechanism designed to resolve disputes in an impartial manner.

FPIC = free, prior and informed consent.

The above elements should be reflected and elaborated in a (abbreviated) resettlement action plan (RAP) (where the specific project activities and sites are known at appraisal) or in a resettlement action framework (RAF) (where the project details are not yet fully specified or where the project involves a series of yet-to-be-defined subprojects). Annex 1 provides an outline for the contents of a (abbreviated) RAP/RAF. Box 2 outlines some common challenges in resettlement planning that need to be considered and addressed in the development of the planning documents. The guidance presented below for the various requirements of standard 7 address at least some of these challenges.

Box 2. Common challenges in resettlement planning

Many challenges arise during resettlement planning that should be addressed through consultations and development of action plans, including the following:

- Increasing pressure on project costs and time reduces emphasis on critical meaningful consultation and transparent planning;
- Survey and census design, implementation and quality control take time and cause delays;
- Defining replacement value of land and assets may be difficult where there are poor land records and/or no well-functioning markets;
- Lack of adequate replacement land;

- Compensating for communal assets; and
- Replacing informal incomes.

4.1 Meaningful consultations, participation and free, prior and informed consent

The objective of resettlement planning is to restore or enhance the livelihoods of all displaced persons in real terms relative to pre-project levels. Achieving this objective requires engaging the displaced persons and host communities in a transparent, public and deliberative process of participation in planning resettlement. In addition, preparing resettlement plans in consultation with and with the participation of the displaced persons and host communities helps reduce the likelihood of complaints and potential for legal actions that can slow down project implementation and elevate costs. Costs can dramatically escalate when displaced persons feel aggrieved and pursue legal actions.

IFAD requires borrower/recipient/partner to undertake FPIC processes for investment projects that have an impact on the land access and use rights of rural communities (as well as for projects that may affect indigenous peoples and historically underserved local communities). Land acquisition that results in displacement (physical or economic) will likely trigger this requirement. IFAD's how-to-do-it note on free, prior and informed consent (FPIC) provides specific guidance on undertaking FPIC processes.[7]

FPIC processes involve two-way communication between the borrower/recipient/partner and the displaced persons and other stakeholders and the active participation of the potentially displaced persons and other stakeholders in project design and implementation. The objective of such consultation and participation is to engage potentially displaced persons in a genuinely deliberative process regarding choices they can make concerning their future. FPIC processes seek to achieve recorded consent agreement between the project proponent and the concerned communities through their freely chosen representative bodies.

Consultations will vary in terms of the frequency, duration and numbers participating in the meetings. Consultations must be undertaken with directly and indirectly affected persons, including host communities (see box 3). Consultations for projects with significant resettlement impacts will necessarily be more extensive than those projects with limited impacts. The borrower/recipient/partner may consider allocating time to address concerns and suggestions about the project by adjusting the schedule for project design and implementation. The affected persons should be given sufficient time for consensus building and developing responses to project issues and options. Affected persons and communities shall be given at least 120 days prior notice to the date of displacement.

Box 3. Host community/population

This refers to people living in or around areas to which people physically displaced by a project will be resettled. The host population may, in turn, be affected by the resettlement or even be displaced themselves.

Meaningful consultations should:

- Start early and be carried out on a continual basis throughout the project cycle;
- Adequately inform the affected persons of the project's potential adverse displacement impacts and proposed mitigation measures including resettlement options:
  - Information on the nature and scope of the project;

[7] IFAD, *How to Do: Seeking Free, Prior and Informed Consent in IFAD Investment Projects* (Rome: IFAD, 2015), Annex 5: International Framework, https://www.ifad.org/en/web/knowledge/publication/asset/39181253.

- The scope of and reason for land acquisition and/or access restrictions;
- Resettlement objectives and entitlement matrix and resettlement options;
- The right of the displaced to participate in resettlement planning and implementation;
- An accessible grievance mechanism;

- Ensure that affected persons have the opportunity to influence resettlement plans early on and during implementation;
- Ensure there is no coercion or intimidation and that affected persons can freely express their views;
- Be gender-inclusive and tailored to needs of disadvantaged and vulnerable groups; and
- Ensure affected groups are able to monitor the RAP/RAF.

4.2 Voluntary resettlement and negotiated settlements

Negotiated settlements help avoid expropriation and eliminate the need to use governmental authority to remove people involuntarily. Negotiated settlements can usually be achieved by providing fair and appropriate compensation and other incentives or benefits to affected persons or communities and by mitigating the risks of asymmetry of information and bargaining power. Project proponents are therefore encouraged to acquire land rights through negotiated settlements wherever possible, even if they have the legal means to gain access to the land without the seller's consent. As a principle, project proponents are required to develop procedures in a transparent, consistent and equitable manner to ensure that persons who enter into a negotiated settlement in land acquisition will maintain the same or better income and livelihood status.

Voluntary resettlement refers to any resettlement not attributable to eminent domain or other forms of land acquisition backed by public powers of the state. The operative principles in voluntary acquisition are respect of the principle of "do no harm" and "informed consent." Affected people must have the option to agree or disagree with being relocated and/or on the sale or compensation and assistance measures for their losses. Informed consent implies that people have the choice to agree or disagree with the land acquisition or land-use change without adverse consequences imposed formally or informally by the state. Voluntary resettlement is only possible when the location of an investment is not fixed. Systematic due-diligence procedures should be undertaken by IFAD to confirm land acquisition and displacement were voluntary and not forced.

Access to legal counsel to understand rights and options is fundamental to a fairly negotiated agreement. Communities must be allowed to choose their representatives to the negotiations, and information provided must be understandable to these representatives and other community members. IFAD staff should ensure documentation, in writing, of efforts to seek negotiated settlements, including, for example, meetings held with potentially impacted communities, offers discussed, information provided, people participating, and outcomes and agreements.

Project proponents should ensure that the negotiating process will not adversely affect the marginality and vulnerability of any affected persons due to the inherent powers of the acquiring agency. To this end, project proponents should engage an independent external party to document the negotiation and settlement processes. The independent external party cannot be associated with the project in any past or present capacity.

4.3 Guidance on requirements

Standard 7 stipulates a range of requirements that should be adhered to in the resettlement planning process. The specific requirements from standard 7 are first presented (in boxes),

followed by related guidance. The paragraph numbering ("paragraph XX") corresponds to the numbered standard 7 requirements in SECAP volume 1.[8]

Paragraphs 8 & 9: Forced evictions
Forced evictions are prohibited in all supported activities. Forced eviction is not the same as involuntary resettlement or the government's use of eminent domain. Rather, forced eviction is defined here as the permanent or temporary removal against their will of individuals, families or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection. Any evictions that may be associated with project activities shall not be forced evictions and shall be carried out lawfully, and only in exceptional circumstances for the purpose of promoting the general welfare with full justification. In such cases, they will be reasonable and proportional, follow due process standards, be regulated so as to ensure full and fair compensation and rehabilitation, and be carried out in full accordance with relevant provisions of international human-rights and humanitarian law. The protection provided by these requirements applies to all affected persons and groups, irrespective of whether they hold title to home and property under domestic law.

Standard 7 stipulates that forced evictions are prohibited in all circumstances. Distinguishing characteristics of forced evictions include the lack or denial of legal protections and due process as well as the absence of full and fair compensation. [9]

The exercise of eminent domain, compulsory acquisition or similar powers by a government will not be considered forced eviction provided that such action meets the following criteria, as outlined in the United Nations Basic Principles and Guidelines on Development-based Evictions and Displacement:[10]

- Authorized by national law;
- Carried out in accordance with international human-rights law;
- Undertaken solely for the purpose of promoting general welfare;
- Reasonable and proportional; and
- Follow due process standards and are regulated so as to ensure full and fair compensation and rehabilitation.

The protection provided by these requirements must apply to all affected persons and groups, irrespective of whether they hold title to home and property under domestic law. National law usually includes requirements that the activity be in the public interest or for general welfare, and requirements for adequate notice to be given to affected parties, hearings, compensation and access to justice when rights are denied. "General welfare" and "public interest" are often broadly defined by national and international courts and include a broad range of activities. Mere declarations that activities are for the general welfare or in the public interest are, however, inadequate.

The requirement that the eviction be "reasonable and proportional" is an effort to ensure that the eviction is suitable – likely to achieve the clearly defined purpose being pursued; necessary – the least-impactful way to achieve this purpose; and absent disproportionate impact – ensuring that benefits outweigh the disadvantages.

[8] See footnote 4, above.
[9] More information can be found in United Nations Office of the High Commissioner on Human Rights and UN Habitat, *Forced Evictions* (Fact Sheet No. 25/Rev. 1) (New York, USA: United Nations, 2014), http://www.ohchr.org/Documents/Publications/FS25.Rev.1.pdf. Page 35 of this document details the responsibilities of United Nations agencies with respect to forced evictions.
[10] See footnote 3, above.

Due process is understood to include the following types of procedural protections: (a) an opportunity for genuine consultation with those affected; (b) adequate and reasonable notice for all affected persons prior to the scheduled date of eviction; (c) information on the proposed evictions and, where applicable, on the alternative purpose for which the land or housing is to be used to be made available in reasonable time to all those affected; (d) especially where groups of people are involved, government officials or their representatives and, if requested, impartial observers to be present during an eviction; (e) all persons carrying out the eviction are to be properly identified; (f) evictions are not to take place in inclement weather or at night or during festivals or holidays unless the affected persons consent otherwise; (g) provision of legal remedies; and (h) provision, where possible, of legal aid to persons who are in need of it to seek redress from the courts.

Paragraph 10: Prior displacement
Where displacement has already occurred in anticipation of the project, an audit shall be conducted to identify: • Any gaps of past activities against this standard; and • The corrective actions that may be required to ensure compliance with this standard. A corrective action plan will describe all activities to reach compliance with this standard in the form of a time-bound plan, including a budget, implementation arrangements, allocation of roles and responsibilities, and implementation schedule.

To discourage displacement activities that occur prior to project development and fail to provide necessary protections for affected people, standard 7 applies to displacement that occurs in anticipation of the project. It may not always be easy to determine if land clearance and displacement has occurred specifically in anticipation of the project, but a review of documentation, interviews and other evidence may assist in this determination. The intention here is to cover prior displacement that took place reasonably close in time to development of the IFAD-supported project.

Full retroactive application of standard 7 would likely not be practical or appropriate for activities that preceded IFAD engagement by a significant period of time. In such cases, it may no longer be possible to identify all affected persons or the extent and value of their rights to the acquired land; land values and livelihoods may have changed significantly; and national legal processes may have long been completed.

Determining whether paragraph 10 applies to a specific situation, including whether a prior activity is reasonably close in time to development of the IFAD-supported project, thus calls for case-by-case analysis and discussions between IFAD and the borrower/recipient/partner.

The issue of prior displacement should be identified through the project design stakeholder-engagement process and/or the scoping phase of the project economic and social impact assessment (ESIA). IFAD should be informed of the issue, a due-diligence review (sometimes referred to as an audit) should be undertaken by the borrower/recipient/partner and a correction action plan should be developed and presented to IFAD. The plan will (a) document and assess the adequacy of prior mitigation measures to address the environmental and social impacts of the past resettlement; (b) assess compliance with national legislation; (c) identify gaps in meeting the requirements of standard 7; (d) identify any complaints, grievances or other outstanding issues; and (e) determine measures to close identified gaps and address complaints. A budget and implementation plan will be included.

This due diligence is undertaken within an agreed time frame that takes into account the context of the project and significance of the prior resettlement. The due diligence may include review of

relevant documents, field visits, interviews and consultations held with affected persons and other key stakeholders. If activities resulting in displacement are ongoing at the time of project identification, they would normally need to stop until the due-diligence review has been undertaken and/or the requirements of standard 7 are being followed. However, certain requirements of standard 7, such as consultation and disclosure, may not be possible to implement retroactively.

Paragraph 11: Avoidance and minimization of displacement
IFAD seeks to avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring feasible alternative project designs and sites. As part of the social and environmental assessment, IFAD requires: • Consideration of all feasible project alternatives and measures to avoid displacement, including the "no action" option; • Where displacement cannot be avoided, the borrower/recipient/partner to rely on the services of experienced professionals in order to establish baseline information and design displacement activities; • Public disclosure and dissemination (in a timely manner[11]) of information and justifications for the activities that will result in displacement; • Provision of effective remedies and redress for affected individuals and communities, including legal counsel and informing those affected of their rights under national laws; and • Public disclosure of a (abbreviated) resettlement action plan (RAP) at least 120 days prior to displacement activities.

(lxxxiii) Identify, discuss and choose options that avoid and mitigate impacts

Given the potential adverse impacts to communities from displacement, IFAD must first seek to avoid displacement in activities it supports. To accomplish this, IFAD must identify and consider options that avoid displacement, including the "no action" option.
When displacement cannot be avoided, IFAD must identify, evaluate and pursue options that are least impactful and/or most beneficial (such as when physical relocation might be considered a potential option to avoid or reduce exposure of communities to disaster risks). Identifying options is an important focus of the assessment process. The analysis of alternatives should not only consider how to avoid and mitigate impacts but also how to advance fulfilment and protection of human rights in the context of activities that may involve displacement. Alternatives analysis will form an important element of the projects (abbreviated) ESIA. Identifying and evaluating options first requires an understanding of relationships of potentially affected populations to lands and resources that may be impacted by the project. These relationships can be ascertained through studies, informal and formal surveys and discussions with communities and other stakeholders and experts. These relationships usually fall into the categories outlined in box 4. The (abbreviated) ESIA also needs to consider variations in seasonal use of lands by local communities and pastoralists.

[11] Affected persons and communities shall be given at least 120 days of notice prior to the date of displacement.

Box 4. Categories of individuals/communities in relation to land and resources

- Individuals and communities with government-issued title or other formal government recognition of rights to land and resources.
- Individuals and communities without formal government recognition of rights but with rights to property recognized under international law, including, for example, indigenous communities and other communities with customary tenure systems.
- Individuals and communities without government-issued title and without rights to property under national or international law – also known as informal settlers.
- Individuals who have occupied an area in anticipation of the activity, primarily intending to receive compensation or other benefits related to resettlement.

Note: It is important to presume that all who occupy the area are eligible for some form of assistance and/or compensation until evidence rebutting the presumption is provided or otherwise secured during the resettlement planning process. Such a presumption helps avoid violation of rights.

Evaluating options also requires consideration of the full range of potential adverse impacts on these potentially displaced populations and on those indirectly affected, such as host communities. Considering impacts and selecting a preferred alternative must be done through robust consultations with these populations during the social and environmental assessment process. It is critical to note that displacement can have unanticipated adverse impacts (often indirect) that will need to be identified, monitored and remedied.

Where physical relocation is considered a potential option, risk assessments of potential relocation sites should ensure that such locations are not prone to equal or higher levels of risk from floods, landslides, earthquakes, etc. Assessments should address whether sites can fulfil adequate housing criteria (see paragraph 14, below).

As described in greater detail below, mitigating impacts to affected populations involves not only identifying and incorporating the least-impactful option into project design but also implementing a robust process through which these populations (including host communities) have opportunities and capacities to participate effectively in decisions related to displacement. This ensures that robust mechanisms exist for redress for impacts on rights, establishing risk-informed plans for displacement, and ensures adequate compensation, incentives and rehabilitation assistance.

(lxxxiv) Negotiate in good faith to secure negotiated settlements

When possible, IFAD should seek to ensure negotiated settlements are secured, rather than expropriation, in an attempt to respond to local community and individual needs in the context of the project and to increase the likelihood of support for the project (see section 4.2, above).

(lxxxv) Assess legal framework and institutional capacity to provide protections and benefits

A key component of conducting an (abbreviated) ESIA – which is required for projects that may lead to significant physical and/or economic displacement – is a review of the policy, legal and regulatory framework. It is critical that this examine not only the adequacy of the applicable legal framework regarding displacement but also the institutional capacity to provide required protections and benefits to potentially displaced persons (e.g. effective legal process, titles, compensation). In many cases the capacity to deliver on well-designed resettlement plans has been weak and displaced persons may become stuck in a legal limbo. The (abbreviated) RAP/RAF would include summaries regarding the legal framework, institutional capacity and steps to address identified issue areas.

(lxxxvi) Provide access to information, legal counsel and remedies

Impacted communities must be given access to project documents, impact assessments and other pertinent information in an appropriate form and language prior to discussion of options regarding their potential displacement. Consultations with affected persons must be participatory and transparent and take place in a location convenient for the community. The project stakeholder engagement plan should include indicators/benchmarks regarding participation and include measures for verification. After an informed discussion of options with potentially impacted communities and having discussed the choice to avoid displacement or proceed with the least-impactful option, written justification for any displacement must be provided to local individuals and communities who might be displaced. This justification must be accessible to these communities and in an understandable language and culturally appropriate form. It must be provided at least 120 days prior to the date of displacement. (Abbreviated) RAPs are also to be disclosed 120 days prior to displacement activities. Such timely notification allows affected individuals and communities an opportunity to comment, identify alternative less-impactful approaches and ensure redress. Complementing notification of communities is access to effective remedies and legal counsel to understand rights and options consistent with national and international law – whichever is higher. Communities must be provided with the financial and/or other resources necessary to secure legal advisers of their choosing.

(lxxxvii) Ensure appropriate expertise

Resettlement specialists should study the proposed project footprint, determine the likely scope of physical/economic displacement and start collecting and analysing secondary data on the socio-economic characteristics of affected people/households and communities. These experts will have experience in assessing resettlement impacts for projects of similar complexity. This experience will include land acquisition and resettlement planning that includes income restoration and familiarity with the relevant local institutions and procedures. Qualifications may be demonstrated through a combination of formal technical training and practical experience. The ability to communicate in the language of the displaced persons is a desirable qualification.

Paragraph 12: Consideration of vulnerable groups
Physical and economic displacement can have adverse impacts that may disproportionately affect disadvantaged and vulnerable groups. The borrower/recipient/partner will identify, assess and address impacts on vulnerable groups in accordance with the screening and assessment phase of the project cycle as required by section 3 of SECAP and specifically: • Through socio-economic surveys, carry out analyses to determine pertinent vulnerability factors in the context of the project area, in cooperation with relevant stakeholders including affected communities; • Identify vulnerable groups based on the results of this vulnerability analysis; • Conduct specific consultations with vulnerable groups; and • Plan assistance measures tailored to the different needs of vulnerable groups, describe these measures in the RAP and provide for their implementation and funding as part of the overall land acquisition and resettlement budget.

Resettlement planning typically requires undertaking a census to identify individuals, households and businesses (formal or informal) that will be physically and/or economically displaced by a project. In addition, a socio-economic survey is used to determine and analyse their socio-economic conditions, including vulnerability factors. (Specific guidance on conducting a census and social-economic surveys is available elsewhere; see annex II for links.)

Experience shows that poor and socially excluded men and women are more susceptible to the challenges of resettlement and are less able to restore their living standards and livelihoods than the average population living with adequate livelihoods and assets. This social vulnerability may affect certain groups of the population more deeply, such as people living with disabilities; women; children and youth; ethnic minorities; lesbian, gay and transgender groups; the elderly; and so on.

Each project will be implemented in a unique context and thus the nature and extent of any vulnerability will also differ. Standard 7 requires that special assistance be provided to allow vulnerable individuals and groups to participate meaningfully in resettlement planning and to benefit from development opportunities. Box 5 provides examples of vulnerability in relation to displacement risks, although it is important to note that there are often multiple causes of vulnerability.[12]

Stakeholder meetings and surveys should be used to assess the context so as to:

- Understand vulnerability among affected people and how resettlement could impact on their lives;
- Identify vulnerable individuals, groups and/or communities; and
- Design assistance measures to involve them in resettlement planning and benefit from development opportunities.

This may involve special efforts to include those who are particularly vulnerable to hardship because of physical or economic displacement.

Box 5. Some examples vulnerability in relation to displacement risks

Those less able to care for themselves	• Children of both sexes • Elderly men and women • People living with disabilities (physical and/or mental) • People suffering from debilitating illnesses (physical and/or mental) • Illiterate men and women • Men and women of a lower educational status and socially excluded groups
Legal status	• Informal occupants of land (“squatters”) • Persons without ownership or use rights • Unlicensed street/pavement vendors • Internally displaced people and refugees • Other groups not protected by national laws
Socio-economic status	• People below the poverty line • Single-parent and child-headed households

[12] European Bank for Reconstruction and Development, *Resettlement Guidance and Good Practice* (London: EBRD, 2017), p. 17, http://www.ebrd.com/publications/resettlement-guidance-good-practice.pdf.

Natural-resource-dependent communities	• Common-property land users • Nomadic/transhumant communities • Traditional fisherfolk • Users of forest and woodland (such as hunters, timber cutters and firewood gatherers; those reliant on non-timber forest products such as herb collection, mushroom or berry picking; and so on)
Ethnic or social group	• Indigenous people • Ethnic minorities • Religion- or faith-based groups or communities
Gender	• Women (in some circumstances)

Community engagement in this case may include dedicated focus groups, and members of disadvantaged or vulnerable groups should be included among the representatives of affected communities. Project-affected vulnerable people may also require assistance to participate in consultation events or discussion forums, for example, through provision of transportation to consultation venues or visits to individual households for consultation purposes. Affected persons identified as disadvantaged or vulnerable may also need additional help to understand their options for resettlement and compensation.

Women frequently suffer disproportionately when resettlement is badly planned or executed. This is because they are often a disproportionately large proportion of the poor; have more limited access to resources, opportunities and public services than men; and as a result rely more heavily on informal support networks within their existing communities. The resettlement planning process needs to consider the situation of women and to adapt the engagement process as necessary to ensure that women have a role in decision-making.

A comprehensive planning process includes identification of (a) women's means of generation of income and livelihoods, including non-formal activities such as gathering natural resources or trading and bartering services and wares; (b) women's social and economic networks, including extended family ties; (c) women's ownership of affected assets, including land and crops; and (d) decision-making at the household and community level.

Paragraph 13: Develop plans to enhance and restore livelihoods of affected persons

When land acquisition or restrictions on land use (whether permanent or temporary) cannot be avoided, the borrower/recipient/partner will develop action plans designed to enhance and restore the standards of living and livelihoods of all affected persons in real terms compared with pre-displacement levels. Such plans will address at a minimum the following relevant elements – including the requirements of paragraph 14 where there is physical displacement and paragraph 15 for economic displacement – taking into account the full social and economic costs to displaced persons:

- Establish eligibility criteria, cut-off dates, compensation and entitlements for all categories of affected persons.
- Provide (a) fair and just compensation at full replacement cost (based where relevant on the cost of replacement at resettled sites and locations) prior to displacement for any losses of personal, real or other property or goods, noting that compensation and support may be collective in nature; (b) transitional support (both financial and in-kind) based on reasonable estimates of the time required to restore and improve income-earning capacity, production levels and standards of living; and (c) assistance such as land development, credit facilities, direct benefits, training or employment opportunities and provision of expertise, as appropriate. The combination of compensation,

transitional support and assistance will aim to enhance and restore pre-displacement productive capacity and earning potential of displaced persons.

- Provide to displaced individuals and communities secure access to necessary services, shelter, food, water, energy, sanitation and community facilities as applicable.

Action plans will generally take the form of a (abbreviated) RAP. Where the specific locations and magnitude of potential land acquisition and restrictions of land use are not fully known during preparation of programming activities, a (abbreviated) RAF may be developed that would require further specific action plans once programming components are defined and assessed. Annex I provides an outline of elements of a (abbreviated) RAP/RAF.

Where impacts on the entire displaced population are minor, an abbreviated RAP may be developed that establishes eligibility criteria for affected persons; compensation procedures and standards at full replacement costs designed at a minimum to restore affected persons assets and livelihoods; and arrangement for participation and collaboration of affected persons. Impacts are considered minor if affected persons are not physically displaced, are relatively few in number and if activities involve minor land acquisition (e.g. affecting a small percentage of productive assets) and do not have significant livelihood impacts.

In addition, project activities that involve displacement may also at times be conceptualized as a community development plan. In all cases, actions plans are to meet the relevant requirements of this standard.

Compensation standards for categories of land and fixed assets will be disclosed and applied consistently. Compensation for lost assets is to be at full replacement cost (see box 6). Compensation rates may be subject to upward adjustment where negotiation strategies are employed. In all cases, a clear basis for calculation of compensation will be documented and compensation distributed in accordance with transparent procedures. Eligibility cut-off dates shall be well publicized.

Box 6. Replacement costs

Replacement cost is usually calculated as the fair market value of the asset plus transaction costs such as taxes, stamp duties, legal and notarization fees, registration fees, travel costs, interest accrued and any other such costs such as may be incurred as a result of the transaction or transfer of property. Depreciation of structures and assets is not to be considered when valuing compensation. Compensation at full replacement cost should be sufficient for the affected person to replace project-affected land, structures and other assets to the same or better standard in another location.

As stipulated in paragraph 13, displaced persons are to be provided with a combination of compensation, transitional support and assistance that aims to improve and enhance pre-displacement productive capacity and earning potential of displaced persons (with restoration a bare minimum). Compensation for expropriated assets is a one-time undertaking. Assistance and benefits, on the other hand, continue over time to restore and improve income and living standards and necessitate continuing coordinated efforts.

Where a project involves the loss of community facilities, utilities or public amenities, the project design should include replacement of these facilities, ensuring a level of service that is of the same quality or better than was previously available. Public consultations with the affected communities and relevant stakeholders will be required to agree upon suitable alternatives.

Paragraph 13 requires that compensation be provided prior to any displacement activities. Borrower/recipient/partner will only take possession of acquired land and related assets after compensation has been made available. In cases of physical displacement, land acquisition will take place only after displaced persons have been resettled and moving allowances have been

provided, in addition to compensation. In addition, livelihood restoration and improvement programmes will commence in a timely fashion in order to ensure that affected persons are sufficiently prepared to take advantage of alternative livelihood opportunities.

Paragraph 14: Physical displacement
Where programming activities involve physical displacement, the action plan will address the following additional elements: • Specify the resettlement options chosen by displaced people, respecting preferences to relocate in pre-existing communities wherever possible, and document all transactions. • Provide a choice of replacement property with secure tenure[13] of higher value and better characteristics wherever possible[14] for affected people or communities with formal land rights or recognizable claims.[15] Land-based resettlement strategies will be utilized when affected livelihoods are land-based or where land is collectively owned.[16] • Ensure resettlement sites provide adequate housing with improved living conditions, necessary civic infrastructure and services. For housing to be adequate, it must, at a minimum, meet the following criteria: security of tenure; availability of services, materials, facilities and infrastructure; affordability; habitability; accessibility; location; and cultural adequacy.[17]

For affected people without formal land rights or recognizable claims, compensate for loss of assets other than land (e.g. dwellings, other improvements) at full replacement costs; provide resettlement assistance in lieu of compensation for land sufficient to restore and improve living standards at an adequate alternative site; and provide arrangements to allow them to obtain adequate housing with security of tenure so they can resettle without facing the risk of forced eviction.

When physical displacement is to occur, resettlement planning seeks to ensure that displaced persons participate in development of the (abbreviated) RAP and implementation of activities intended to improve, or at least restore, their standards of living. In the (abbreviated) RAP, baseline conditions are established prior to displacement by conducting a census and enumeration of households, an inventory and evaluation of their assets, and a socio-economic survey assessing living standards and social conditions. The contents of this plan are described in annex I.

The (abbreviated) RAP should address the compensation and rehabilitation measures for each of the three types of displaced persons affected by a project: (i) displaced persons with formal legal rights; (ii) displaced persons whose rights are not formal or legal but whose claims are recognized under national laws (e.g. long-term holders of property, traditional land-tenure systems based on usufruct right to lands held collectively); and (iii) displaced persons without

[13] Security of tenure means that resettled individuals or communities are resettled to a site that they can legally occupy, where they are protected from the risk of eviction and where the tenure rights provided to them are socially and culturally appropriate. Activities that involve physical displacement should adhere to the provisions of Food and Agriculture Organization of the United Nations, *Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security* (Rome: FAO, 2012), http://www.fao.org/3/i2801e/i2801e.pdf.

[14] Replacement property must at a minimum be of equal value to lost assets, with additional investment provided by supported activities to improve its value and characteristics.

[15] It may be appropriate to negotiate in situ land development arrangements whereby displaced persons or communities accept partial loss of land for improvements that increase property value.

[16] Cash compensation for replacement property and assets is discouraged. Payment of cash compensation for lost land and other assets may be appropriate where livelihoods are not land-based or livelihoods are land-based but the land taken is a small fraction of the affected asset and the residual land is economically viable.

[17] See Office of the United Nations High Commissioner for Human Rights/UN Habitat, *The Right to Adequate Housing* (Fact Sheet 21/Rev. 1) (Geneva, Switzerland: UNHCHR, no date), https://unhabitat.org/sites/default/files/download-manager-files/Right%20to%20adequate%20housing.pdf.

formal legal rights (e.g. squatters, tenants, sharecroppers, wage labourers). Compensation varies according to the type of displaced person.

The first fundamental consideration for the (abbreviated) RAP relates to individual and community choice. Options related to resettlement – where to resettle, how and for what to compensate individuals and communities, what additional support to provide – must be provided and discussed to ensure responsiveness to concerns and needs, including those of host communities.

For indigenous, tribal and other communities, these options may include collective benefits while ensuring due consultation with all groups within the community, including women and young people (see standard 4 guidance note).

Security of tenure is an important component of replacement property. Where affected persons are receiving land as replacement for land they have lost to the project, their tenure rights to the replacement land must be no weaker in effect than their tenure rights to the relinquished land. For example, it would be inappropriate to replace land that is held in full ownership with land to which an affected person receives only a short-term lease. It is important to consider the combined characteristics of replacement land to ensure that in the aggregate they provide the affected person, wherever possible, with property of higher value and possessing better characteristics than that which the person is losing as a result of displacement. At a minimum, it must be of at least equal value.

In resettling displaced people who have land-based livelihoods or where land is collectively owned, the resettlement strategy should be land-based, i.e. land-for-land replacement of lost assets and livelihoods. This approach is preferred because non-land-based options may increase vulnerability of people whose livelihoods are based entirely on the land.

For agriculturalists, replacing land resources they have lost with new land of equal or better productive potential is almost always the best solution. Selecting appropriate resettlement sites is critical for restoration or enhancement of livelihoods. It should be based on technical feasibility studies of soil quality, slope, drainage, etc.; possibilities for technological improvement, including by irrigation; availability of pasture; and possibilities of continuing such productive activities as collection of non-timber forest products, fishing and hunting. As a rule, if land is acquired from ethnic minority groups or indigenous groups that are dependent on agriculture, non-timber forest resources and livestock, the compensation and livelihood restoration or enhancement assistance will be land-based.

However, land of an equal and adequate quality may not always be available for purchase or use in a nearby (or other acceptable) location or there may not be enough of it. If the quality of the available replacement land is not the same as the land lost but is still considered adequate, affected people should be provided with a larger parcel of such land to ensure yield is the same. This can also be supplemented with other investments and assistance such as training, equipment and products to increase its productivity.

Adequate housing should meet a range of criteria as outlined by the Office of the United Nations High Commissioner for Human Rights and UN Habitat: providing security of tenure; availability of services, materials, facilities and infrastructure; affordability; habitability; accessibility; location; and cultural adequacy.[18]

Adequate housing options are those that allow access to employment options, markets and other means of livelihood such as agricultural fields, and to basic infrastructure and services, such as water, electricity, sanitation, health care and education, depending on the local context. Replacement housing should be of sufficient quality to protect inhabitants from weather conditions and environmental hazards and provide for their physical safety. Housing structures should provide adequate space, taking into account household size and the number of women and children. Designs should reflect the special needs of persons with disabilities and the

[18] See footnote 17, above.

elderly to have housing and other facilities that are physically accessible. Adequate sites should be safe and, at the least, not subject to periodic flooding or other hazards.
Affected persons are entitled to certain types of assistance (for example, compensation for fixed assets and livelihood restoration) even if they have no legal rights to the land they are occupying. Paragraph 14 notes that such persons are to be provided resettlement assistance in lieu of compensation for land sufficient to restore or improve their living standards at an adequate alternative site. In addition, the borrower/recipient/partner is to make arrangements to allow them to obtain adequate housing with security of tenure so they can resettle without facing the risk of forced eviction.
The resettlement plan provides for transitional relocation assistance to people who are physically displaced. Such assistance may include transportation, food, shelter and social services that are provided to affected persons during the relocation to their new site. Additional measures may be necessary for vulnerable groups during physical relocation, particularly pregnant women, children, the elderly and the disabled. Assistance may also include cash allowances that compensate affected persons for the inconvenience associated with resettlement and defray the expenses of relocating to a new location, such as moving and lost workdays.

Paragraph 15: Economic displacement

Where activities involve economic displacement with significant social and economic impacts, the (abbreviated) RAP will address the following additional elements:

- Ensure that compensation covers all commercial losses (including costs of transfer and re-establishing commercial activity, net income lost during transition, lost employee wages) and for other assets such as crops, irrigation infrastructure or other improvements to affected areas.
- Provide replacement property of improved value where legitimate tenure rights (both formal and informal) are restricted. Provide replacement agricultural sites of superior productive potential wherever possible, including through investments in increasing productivity. If it is clearly demonstrated that replacement land and resources are unavailable, offer cash compensation at full replacement cost and options and support for alternative income-earning with evidence of mutual agreement.
- Compensate economically displaced people who are without legally recognizable claims to land for lost assets other than land (e.g. crops, irrigation infrastructure, other improvements made to the land) at full replacement cost.
- Where displaced livelihoods are natural-resource based, offer replacement land and access to alternative resources with a combination of productive potential, locational advantage and other factors with improved livelihood-earning potential and accessibility, wherever feasible. Provide alternative income-earning opportunities and support if it is demonstrably not possible to provide replacement land and resources.
- If the programming activities restrict access to resources in legally designated parks or protected areas or other common-property resources, establish a collaborative process with affected people and communities to negotiate and determine appropriate restrictions and mitigation measures to improve affected livelihoods while maintaining the sustainability of the park or protected area.

Economically displaced persons can encompass those with title or recognizable title to land and those who are without title to land or are landless. Assistance to economically displaced persons includes compensation at full replacement cost (see box 6) for the loss of income or livelihood sources – often called income restoration or livelihood-support measures. These people depend directly on the land and are often the poorest and most vulnerable. They include

sharecroppers, renters, tenants, wage labourers, artisans, shopkeepers and small businesses occupying land they do not own. They are entitled to compensation for the loss of their income or livelihood sources at full replacement cost. Their lost assets may be crops, irrigation facilities, trees, livestock pens, fences, shops and vendor stalls, among other things.
Resettlement assistance for such persons may include a subsistence allowance for food, fodder and fuel until incomes are restored and programmatic access to credit, training and employment opportunities. For land acquisition affecting commercial structures, the resettlement assistance for the owners will include the cost of re-establishing the activities, net income lost during the period of inactivity and the cost of moving materials. Shop owners who have a title to land or have recognizable title to land are also entitled to land or cash compensation at full replacement cost for the land where they carry out their commercial activities.
Compensation alone is not sufficient to restore or improve the livelihoods and social welfare of displaced households and communities. Challenges associated with rural resettlement include restoring livelihoods based on land or natural-resource use and the need to avoid compromising the cohesion of affected communities, including the host communities in which the displaced population may be resettled. Restoration and improvement of rural livelihoods often requires attention to many interconnected dimensions such as access to land (productive, fallow and pasture), marine and aquatic resources (fish stocks), access to social networks, access to natural resources such as timber and non-timber forest products, medicinal plants, hunting and gathering grounds, grazing and cropping areas, fresh water and employment. A challenge associated with urban resettlement is the restoration of wage-based or enterprise-based livelihoods that are often tied to location (such as proximity to jobs, customers and markets).
The following are examples of the design of measures to improve or restore livelihoods that are land-based, wage-based and enterprise-based:

- **Land-based livelihoods:** Economically displaced persons with land-based livelihoods will be offered replacement land with a combination of productive potential, location advantages and other factors with improved livelihood-earning potential and accessibility, wherever feasible. Depending on the context and the nature of the affected livelihoods, other factors may include the legal status of the land, access to grazing land, fallow land, forest, fuel and water. In addition, depending on the type of economic displacement and/or the site to which project-affected persons are relocated, they may benefit from (a) physical preparation of farmland (for example, clearing, levelling, access routes and soil stabilization or enrichment); (b) fencing for pastureland or cropland; (c) agricultural inputs (such as seeds, seedlings, fertilizer, irrigation); (d) veterinary care; (e) small-scale credit, including seed banks, cattle banks and cash loans; (f) access to markets (for example, through transportation means, improved access to information about market opportunities and organizational support; and (g) training (including individual or household-based counselling on the livelihood risks and opportunities of compensation and investment opportunities). Where land-based livelihood of small-scale subsistence farming is severely affected by substantial loss of productive land, particular attention needs to be paid to fragility, including food security risks for affected households. Additional fragility factors such as erosion and climate risks (drought, floods, climate-change trends and so forth) should be taken into account in assessing livelihood risks and developing additional support measures.
- **Wage-based livelihoods:** Wage earners in the affected households and communities may benefit from skills training and job placement, provisions made in contracts with project contractors for temporary or longer-term employment of local workers, and small-scale credit to finance start-up enterprises. Wage earners whose income is interrupted during physical displacement receive resettlement assistance that covers these and related costs. Affected persons are given equal opportunities to benefit from such provisions. The location of resettlement housing, in the case of physically displaced persons, can be a significant

contributing factor towards socio-economic stability. Consideration should be given to the ability of wage earners to continue to access their place(s) of work during and after resettlement; if this ability is impaired, then mitigation measures are implemented to ensure continuity and avoid a net loss in welfare for affected households and communities.

- **Enterprise-based livelihoods:** Established and start-up entrepreneurs and artisans may benefit from credit or training (such as business planning, marketing, inventory and quality control) to expand their businesses and generate local employment.

For access restrictions in relation to legally designated parks, protected areas or other common property, the resettlement plan may take the form of a participatory process framework. It is used to design project activities, determine eligibility criteria, reach agreement on access restrictions, identify measures to assist affected persons in improving or restoring their livelihoods, manage conflicts and grievances, and arrange for participatory implementation and monitoring. The imposition of access restrictions should account for variations in seasonal use of lands by local communities and pastoralists.
A process framework may be utilized to develop restrictions of access to natural resources under community-based natural-resource management arrangements where the relevant community decides to restrict access to these resources based on an appropriate community decision-making process that reflects voluntary, informed consensus. Where such conditions are met, the requirements of this standard are not applicable.

Paragraph 16: Grievance and redress
As outlined in section 1.8 [of SECAP volume 1] the borrower/recipient/partner will ensure that an effective, easily accessible and culturally appropriate grievance mechanism is established for the project to receive and facilitate resolution of concerns and complaints (e.g. compensation, relocation or livelihood restoration) that may be raised by affected individuals.

Grievance mechanisms are critical for any resettlement process. Regardless of scale, involuntary resettlement may give rise to grievances among affected households and communities on issues ranging from rates of compensation and eligibility criteria to the location of resettlement sites and the quality of services at those sites.
Grievance mechanisms[19] are to be established as part of the project's resettlement plan. Their design takes into account the views of affected communities expressed during the resettlement planning process. The project grievance mechanism must be disclosed and explained to affected communities as early as possible and on a regular basis throughout the project cycle. The grievance mechanism is available at no cost and must be easily accessible, with special attention paid to accessibility for disadvantaged and vulnerable individuals or groups. It should include the option of submitting grievances anonymously to ensure that all community members can submit any concerns.
The scope of the grievance mechanism will vary with the magnitude and complexity of the project and displacement involved. It may call for additional staff with specific expertise to be designated and trained to address grievances related to involuntary resettlement. It may be necessary to establish a recourse mechanism (usually a committee with the implementing partner, community and reputable third-party representatives) designed to resolve disputes in a timely and impartial manner
It is important that the grievance mechanism be fully functional early in the resettlement planning process. Complaints may be received regarding inclusion in the census, eligibility

[19] See How to Do Note on "How to set up and operate Grievance Redress Mechanisms" [NOTE: add link when available]

issues, valuation amounts, compensation measures, etc. These need to be resolved as early as possible.

Grievances submitted should be analysed as they provide excellent feedback on the resettlement process. Are people lacking information? Are consultations needed? Are the measures producing desired outcomes? Grievances can also be useful in highlighting new issues that emerge during the process, enabling them to be resolved at an early stage.

CCC. 5. Monitoring project implementation

The monitoring and evaluation of resettlement implementation should be planned as early as possible in preparation of the resettlement plan. The resettlement census, including socio-economic baseline studies and the inventory and evaluation of assets, are conducted in a manner that enables subsequent tracking of resettlement outcomes. This is typically done through the early identification of key indicators to be tracked over time. The (abbreviated) RAP outlines the specific monitoring framework for the project.

Arrangements for monitoring of displacement and resettlement activities, supplemented by third-party monitors as considered appropriate, should include:

- Measures to ensure complete and objective information;
- Performance monitoring indicators to measure inputs, outputs and outcomes for resettlement activities;
- Involvement of the displaced persons in the monitoring process;
- Evaluation of results for a reasonable period after all resettlement activities have been completed; and
- Use of the results of resettlement monitoring to guide subsequent implementation.

Displaced persons need to be fully informed of their rights under national law, the terms of any action plans and the requirements of this standard so that, inter alia, they can actively monitor whether the project is being implemented as agreed. The project's monitoring programme needs to include active reporting to and meetings with affected persons.

For projects with adverse displacement impacts, it is considered best practice to ensure that a resettlement completion audit is conducted. In determining whether such an audit is required, IFAD could consider the scale of impacts, the particular vulnerability of the affected households (for example, those with a strong attachment to particular lands and/or natural resources) or other social, economic or political factors. The key objective of a completion audit is to evaluate whether the efforts to restore the livelihoods and living standards of the affected population have been successful. The audit measures whether the livelihoods and living standards of the affected population meet or exceed those enjoyed prior to displacement and, if that is not the case, determines what additional measures, if any, are needed to help improve, or at least restore, livelihoods and living standards.

Where appropriate, stakeholders and third parties, such as independent experts, local communities or NGOs, should complement or verify monitoring activities.

SECAP compliance review activities should be appropriate to the type and scope of the requirements, and may include:

- Reviewing monitoring reports, conducting site visits and reviewing project-related information;
- Reviewing compliance with SECAP standards requirements;
- Advising partners on how to manage issues related to the SECAP and the standards; and
- Communicating risks and probable consequences of failure to comply with the SECAP requirements and initiating remedies if the partner fails to (re)establish compliance.

DDD. Annex I. Outline of a (abbreviated) resettlement action plan/framework

The following table presents the organizational sections and expected content of a (abbreviated) resettlement action plan (RAP) and resettlement action framework (RAF).[1] The (abbreviated) RAP/RAF is prepared by the borrower/recipient/partner and reviewed by IFAD.

Section	*(Abbreviated) Resettlement action framework*	*(Abbreviated) Resettlement action plan*
Introduction	• Purpose of the framework • The process for preparing and approving resettlement plans • Explanation of why a resettlement plan cannot be prepared at this stage	• Purpose, scope and content of the plan • How the plan was prepared and approved and by whom
Project description	• Brief description of the project and its components which will/may require land acquisition	• General description of the project and description of the project components and activities that will require land acquisition and cause physical/economic displacement
Project impacts	• Potential project impacts/ losses associated with all project components/phases	• Expected project impacts/losses associated with the project components/phases covered by the plan • Explanation of all activities and alternatives considered to avoid or minimize displacement
Legal framework	• National legal framework (expropriation, land tenure) and provision of resettlement/livelihood-restoration assistance) • IFAD requirements • Gap analysis between national legislation and IFAD requirements and measures to bridge any gaps between them	• If necessary, a more detailed gap analysis addressing the specific legal requirements that pertain to the displacement caused by project components in question

Affected people and assets	• Estimated population displacement and likely categories of displaced persons, to the extent feasible at the time of framework development	• Results of the socio-economic survey and any other tools used, such as focus groups, covering, for example:
		  • People/households who will be physically displaced and their land-ownership status
		  • People/households/businesses that will be economically displaced and their land-ownership status
		  • Standard characteristics of displaced people/households
		  • Businesses and baseline information
		  • Information on vulnerable groups

[1] Adapted from European Bank for Reconstruction and Development, *Resettlement Guidance and Good Practice* (London: EBRD, 2017), p. 17, http://www.ebrd.com/publications/resettlement-guidance-good-practice.pdf.

Section	*(Abbreviated) Resettlement action framework*	*(Abbreviated) Resettlement action plan*
		• Social networks and social support systems, and how they will be affected by the project • Description of affected assets, including natural resources, public infrastructure and services
Key compensation and assistance principles	• Key principles of compensation, resettlement and livelihood restoration that the client is committed to implementing	• Key principles of compensation, resettlement and livelihood restoration that the client is committed to implementing
Eligibility	• Eligibility principles	• Description and results of the census • Cut-off date for eligibility • Eligibility of categories of displaced persons for compensation and other resettlement assistance
Entitlements matrix	• Entitlements matrix addressing the principles of entitlements associated with the project	• Entitlements matrix addressing categories of losses and entitlements pertaining to the project components/phases in question
Compensation and assistance	• Methods of valuing affected assets • Implementation principles and process	• Description of the methodology for valuing losses to determine their replacement cost • Description of compensation and assistance measures • Description of process for executing compensation and assistance • Description of organized resettlement programme (selection of locations, design of housing, planned infrastructure, improvements for host community), if applicable
Organizational arrangements	• Roles and responsibilities for delivery of entitlements	• Procedures for the delivery of entitlements and the roles and responsibilities of all involved agencies/organizations (client, authorities, various service providers), including coordination arrangements
Time frame	• Estimated time frame for preparation of resettlement/livelihood-restoration plans for various project components	• Implementation time frame covering all activities from preparation of the plan through implementation, including monitoring and evaluation
Disclosure of information	• Description of engagement activities undertaken as part of developing the framework	• Description of engagement activities undertaken as part of developing the plan, its finalization and approval

Section	*(Abbreviated) Resettlement action framework*	*(Abbreviated) Resettlement action plan*
and consultations	• Description of mechanisms for stakeholder engagement throughout the planning, implementation and monitoring process	• Summary of the views expressed and how these were taken into account in preparing the plan • Description of planned stakeholder engagement during implementation
Grievance mechanism	• Description of grievance mechanism	• Description of grievance mechanism with contact details of those responsible for grievances for the project component/phase in question
Monitoring and reporting	• Objectives of monitoring and evaluation • Indicative indicators • General reporting principles	• Description of the internal and external monitoring and evaluation arrangements • Monitoring indicators to measure inputs, outputs and outcomes for resettlement/livelihood-restoration activities • Reporting on implementation of the plan
Implementation costs	• Arrangements for funding resettlement (which source will fund which component) • Estimated budget	• Tables presenting expected costs for all resettlement activities and sources of funds

EEE. Annex II. Resources and templates

Below are some key resources and links to various templates that may be useful during resettlement planning.

International Finance Corporation, *Good Practice Handbook: Land Acquisition and Resettlement* (Washington, D.C., 2020) [draft, final ver. not yet posted]

- Templates that may be adapted for IFAD projects:
  - Example of census form
  - Example of land and asset survey
  - Example of simplified livelihood questionnaire
  - Example of an asset sheet
  - Example of a compensation agreement
  - Scoping and resettlement action plan consultants: Template for terms of reference (ToR)
  - Resettlement compliance reviews: Template for ToR
  - Resettlement completion audit: Template for ToR

European Bank for Reconstruction and Development, *Resettlement Guidance and Good Practice* (London: EBRD, 2017), http://www.ebrd.com/publications/resettlement-guidance-good-practice.pdf.

- Annexes that maybe adapted for IFAD projects
  - Example of entitlements matrix
  - Example of monitoring and evaluation indicators
- Also see sections 2 and 3 of part B for further guidance on census and socio-economic surveys

Guidance Note 8: Financial intermediaries and direct investments

FFF. 1. Introduction

IFAD recognizes that investments[334] in the private sector have a key role to play in providing financial products and services to farming businesses and to the rural micro-, small- and medium-sized-enterprise sector. The organization offers a suite of financial products aimed at the private sector, including both direct and indirect lending, guarantees and risk share, and equity investments. These are offered in collaboration with a range of financial intermediaries, including commercial and development banks, non-bank financial institutions, cooperatives, microfinance institutions and semi-formal or non-formal organizations such as self-help groups or village savings and loans associations. In additions, IFAD also makes direct investments in private-sector entities, such as agricultural small and medium-sized enterprises (SMEs), through direct lending and equity stakes in private-sector companies, including corporate and project finance and risk-mitigation instruments.

This guidance note expands upon the commitments made in IFAD's rural finance policy (RFP)[335] and IFAD's *Framework for IFAD Non-Sovereign Private Sector Operations and Establishment of a Private Sector Trust Fund* (the NSO Framework).[336] It provides guidance to both IFAD project development teams (PDTs), partner financial intermediaries (FIs) and direct investees on how the requirements of Standard 8: Financial intermediaries and direct investments should be woven into the design and approval of non-sovereign private sector operations (NSO) initiatives.

The NSO Framework and standard 8 establish a risk-based approach to the assessment of environmental and social (E&S) risks and impacts associated with IFAD's portfolio of its FI and direct-investment partners. They also guide the determination of associated requirements for various asset classes supported by IFAD financing.

IFAD evaluates all E&S risks associated with the activities of potential FIs and direct investments and their capacity and commitment to manage these risks. The results of this assessment help IFAD to select suitable FIs and direct investees and define the type of financial products to be offered.

Standard 8, and this associated guidance note, applies to both FIs and private companies receiving direct investments. The purpose is to assist them with the development of an environmental and social management system (ESMS) and its stakeholder engagement and monitoring/reporting requirements. It is also directed to IFAD PDTs (and, where relevant, to the subprojects financed by FIs) as a checklist that can assist with evaluating the readiness and ongoing performance of FIs and direct investees.

The objectives of this guidance note are to (i) explain how IFAD's E&S requirements stemming from NSO Framework annex VII and standard 8 apply to the activities and operations of FIs and direct investees receiving IFAD support; (ii) guide the FIs and direct investees in making necessary adjustments to their operations to meet these requirements; and (iii) provide guidance to the FIs and direct investees on reporting to IFAD.

This guidance note is designed as a concise "where to" guide that helps users find appropriate external guidance. It is predicated on the understanding that FIs will maintain focus on their primary business of generating reasonable returns for their investors and ensuring sustainability.

In addition, IFAD recognizes that most private-sector actors – whether FIs or agricultural SMEs – already have their own environmental, social and governance (ESG) policies and plans in place. This guidance note has been developed to assist them in ensuring

[334] Both direct investments in private sector actors along agricultural value chains including farmer's organizations and rural SMEs, as indirect investments in financial intermediaries.
[335] IFAD, *Rural Finance: Policy* (Rome: IFAD, 2009), https://www.ifad.org/documents/38711624/39417948/rf_eng.pdf/b60b1440-9986-4b39-88dd-2ad035484053.
[336] IFAD, *Framework for IFAD non-Sovereign Private Sector Operations and Establishment of a Private Sector Trust Fund* (EB 2020/129/R.11) (Rome: IFAD, 2020), https://webapps.ifad.org/members/eb/129/docs/EB-2020-129-R-11-Rev-1.pdf.

compliance with IFAD's requirements in the design and implementation of their ESG frameworks. Nevertheless, IFAD will work with potential partners in the private sector to streamline to the extent possible reporting requirements to reflect local realities – and adjust/align with the requirements from other donors and investors – in the interest of ensuring effective and efficient programme implementation and impact on our target group. Section 2 of this guidance note provides a brief overview of standard 8 objectives and requirements; the safeguard focus and IFAD's approach to managing the E&S risks associated with financing FIs and direct investments. Section 3 sets out screening requirements, and section 4 provides guidance on key issues related to addressing the three requirements of standard 8.

GGG. 2. Objectives, procedures and responsibilities for E&S risk management

2.1 Objectives and key requirements

Standard 8 covers potential IFAD financing of both FIs and direct investments. Both involve the financing of non-sovereign private-sector entities guided by IFAD's RFP and the NSO Framework. The main difference between them is that FIs on-lend/grant to other clients/investees, who in turn develop and implement projects. In this guidance note, the projects that FIs support are termed "subprojects."[337] In direct investments, the recipient of IFAD support uses the funding to support activities that are under its direct control.

The three key requirements set out in standard 8 for financial intermediaries and direct investments are (i) develop and maintain an ESMS for assessing, managing and monitoring risks and impacts of direct investment activities and the FI's subprojects; (ii) develop stakeholder engagement procedures; and (iii) develop monitoring and reporting procedures. The requirements are designed to meet the following objectives:

- Promote sound environmental, social and climate practices and sound human resources management within FIs and direct investees.
- Ensure FIs and direct investees will assess and manage environmental and social risks and impacts of subprojects.
- Promote good environmental and social management practices by direct investees and in the subprojects financed by FIs.

2.2 Defining the safeguards focus and environmental and social risk-management requirements

From a safeguards standpoint, when IFAD makes a direct investment it should assess the ESMSs and past performance of the entity that it is investing in. Most often the investment will be for a specific purpose, for example, the purchase of fishing vessels or other identifiable assets. It is possible, however, that a direct investment may result in the partner using IFAD funds to support any number of projects, where all are managed directly by the partner itself. For IFAD, the safeguards focus with direct investments will be the partner itself. With FIs, the safeguards focus will be both on the FI itself and on its proposed portfolio of subprojects and, importantly, how the FI manages portfolio risks with its ESMS. Table 1 clarifies the general E&S risk-management requirements for FI and direct-investment operations.

[337] An "FI subproject" is the ultimate project or activity supported by the FI. If an FI provides financial support to another FI (for example, through a loan or guarantee) the FI subproject is the project or activities supported by the participating FI. For example, where the FI provides a loan to a rural-finance institution that then lends (via a sub-loan) to a farmer (sub-borrower) who uses the loan to expand farming operations, the FI subproject is the expanded farming operation.

Table 1

Definitions and general requirements for managing environmental and social risks in both FI and direct-investment operations

Definition of the FI and coverage of E&S risk management	The FI is defined by intermediation and delegated decision-making (i.e. the FI selects the subprojects). If IFAD funds are used to finance only a specific asset class (e.g. credit line to a specific sector), the requirements cover only the specific class, but if funds are used for general purposes without a specific end use, IFAD requirements will apply to the entire portfolio.
Definition of direct investments and coverage of E&S risk management	Direct lending and equity stakes in private-sector companies (including corporate and project finance) and guarantee facilities. The project could include aspects from the early developmental stages through the entire life cycle (design, construction, commissioning, operation, decommissioning, closure or, where applicable, post-closure) of a physical asset. In cases of business activities with defined use of proceeds and a clearly defined E&S footprint, IFAD's requirements regarding E&S risk management will apply to the business activities financed from funds provided by IFAD.
Investment restrictions for existing clients	IFAD will not make new investments with existing clients with less-than-satisfactory E&S performance from previous finance.
E&S risk-assessment principle	Risk assessment incorporates requirements from IFAD's SECAP standards, country, region, sector, track record, capacity and commitment of project parties and legal environment, type of financing etc.
Categorization of the E&S risk of FI and direct investment	The E&S risk category in direct investments is assessed with the E&S assessment tool for NSOs; the risk depends on combination of probability of occurrence of a hazard and the severity of impacts resulting from such an occurrence. The E&S impacts refer to any potential change to the physical, natural or cultural environment and impacts on surrounding community or workers resulting from the business activity to be supported. The E&S impacts and occurrence are assessed separately for each of IFAD's Social, Environmental and Climate standards; capacity of project parties and legal environment is also assessed. The E&S risk categories are a) high, b) substantial, c) moderate and d) low. The E&S risk category in FI investments depends on the E&S risk profile of the existing and proposed portfolio of investments/financing activities of the FIs associated with IFAD financing. The E&S risk category of the subprojects can be assessed using the E&S assessment tool for non-FI projects. If the portfolio comprises a large number of subprojects, they can be grouped by E&S risk category depending on typical risks in the group (e.g. low-risk microfinance clients, SMEs or large corporations). The E&S risk category of the FI depends on portfolio exposure to various E&S risk-category subprojects: FI-1: high; FI-2: substantial; FI-3: moderate; FI-4: low. The process for categorization is outlined in volume I of SECAP.*
Environmental and social due diligence for direct investments	Depending on the E&S risk category, the direct-investment client conducts studies and develops E&S risk mitigation plans according to SECAP requirements: • High-risk projects: Environmental and social impact assessment (ESIA) and environmental and social management framework (ESMF) and other relevant plans, such as resettlement action plans that include management plans. • Substantial-risk projects: Abbreviated ESIA or abbreviated ESMF that include management plans. • Moderate-risk projects: Environmental and social management plan.
Management approach	All FIs and direct investees are required to develop an environmental and social management system (ESMS) and monitoring and reporting procedures. Specific requirements for an ESMS are outlined in section 3 of this guidance note.
E&S covenants in legal agreements	Covenants should be clearly defined in loan/subscription agreements. Required components as applicable: ESMS, exclusion list, host-country laws, E&S standards, E&S action plan, clearance of high-risk subprojects by IFAD, annual reporting. Covenants can also focus on needed ESMS improvements. If the client fails to comply with its E&S commitments, as expressed in the E&S conditions for investment, IFAD will work with the client to bring it back into compliance to the extent feasible; if the client fails to re-establish compliance, IFAD will exercise remedies as appropriate.

E&S = environmental and social; ESIA = environmental and social impact assessment; ESMF = environmental and social management framework; ESMS =; FI = financial intermediary; SECAP = Social, Environmental and Climate Assessment Procedures; SME =Small and Medium sized Enterprises

* IFAD, *Social, Environmental and Climate Assessment Procedures: Volume I* (Rome: IFAD, 2020), [INSERT LINK WHEN AVAILABLE].

When the FI or direct investment is initiated by a partner, IFAD will perform additional due diligence only to the extent necessary to complete the E&S assessment to meet Social, Environmental and Climate Assessment Procedures (SECAP) requirements. Accordingly, IFAD shall review existing environmental assessment studies; if it is found that further work is required to meet SECAP standards, the work will be captured in the SECAP review note, which shall propose terms of reference for the additional studies. When IFAD is the initiating institution, IFAD will ensure that the environmental and social due diligence of the other partner meets SECAP requirements. Accordingly, the PDT shall provide the partner with information to ensure that the necessary environmental assessment studies comply with both the requirements of the other participating partners or financial partners and SECAP.

2.3 Key process steps in addressing standard 8 requirements

Table 2 presents a quick overview of key process steps that PDTs should take when addressing the requirements of Standard 8: Financial intermediaries and direct investments.

Table 2

Quick overview of key steps for project development teams in addressing the requirements of Standard 8: Financial intermediaries and direct investments

1. Screen and categorize potential environmental and social risks

- Screen the proposed FI or direct investee using the screening procedure outlined in volume 1 of SECAP[a] and reject the projects with activities on the IFAD exclusion list (Volume 1, Annex 5).
- Categorize the risk of the FI or direct investee using SECAP risk assessment tools.
- The E&S risks of the FI depend on the E&S categories of subprojects and portfolio exposure.

2. Assess the environmental and social management system of the FI or direct investee

- Assess whether the FI or direct investee meets the requirements of a high-quality environmental and social management system, as presented in section 3 of this guidance note. This typically has the following components:
  - An environmental and social policy
  - Identification of risks (environmental and social due diligence)
  - Management programmes
  - Internal organizational capacity and competency
  - Monitoring and reporting systems
  - Emergency preparedness and response

3. Conduct environmental and social due diligence (ESDD) for direct-investment projects

- For high- and substantial-risk projects:
  - Conduct ESDD in accordance with IFAD's requirements as defined in SECAP, including environmental and social impact assessment (ESIA) or abbreviated ESIA and a compliance summary table with IFAD's Social, Environmental and Climate Standards;
  - Prepare a draft consultation and participation plan, grievance redress mechanism and environmental, social and climate management plan (ESCMP);
  - Include relevant indicators (outcome and milestone) in the ESCMP for monitoring of climate, environmental, health, safety and social issues; and
  - Ensure that the relevant provisions of ESCMPs, including costs of implementation, are fully included in bid and contract documents.
- For moderate-risk projects:
  - Develop an ESCMP.

4. Assess stakeholder engagement planning and monitoring/reporting

- Assess whether the FI or direct investee has established an appropriate stakeholder engagement process and external communication mechanism and has provided guidance on the establishment of grievance mechanisms (for direct-investment activities and FI subprojects).

- Assess whether the FI or direct investee has developed an appropriate monitoring and reporting programme.

E&S = environmental and social; ESDD = environmental and social due diligence; ESIA = environmental and social impact assessment; ESCMP = environmental, social and climate management plan; FI = financial intermediary; SECAP = Social, Environmental and Climate Assessment Procedures

[a] IFAD, *Social, Environmental and Climate Assessment Procedures: Volume I* (Rome: IFAD, 2020), [INSERT LINK WHEN AVAILABLE].

2.4 Roles and responsibilities of IFAD and partners

The roles and responsibilities outlined in table 3 describe the major functions of IFAD PDTs and the FI or direct investee in the SECAP process during project identification, preparation and implementation.

Table 3

Roles and responsibilities of IFAD project delivery teams and the FI or direct investee in the social, environmental and climate assessment procedures process

Project stage	*IFAD PDT*	*FI or direct investee*
Identification, preparation and development	• Overseeing application of SECAP processes, including gender mainstreaming. • Screening projects to reject activities on the exclusion list and to determine the E&S risk category and applicable social, environmental and climate standards using the SECAP risk assessment tool. • Assessing the FI client's ESMS and its implementation and assisting the FI to develop the ESMS to meet SECAP requirements. • Assisting the direct investee client tin developing the terms of reference for the ESDD, including ESIAs, RAF/RAP, etc. and related risk-management plans, and in identifying opportunities to improve E&S outcomes. • In addition to the environmental and social screening and categorization process, a parallel exercise should be undertaken by PDTs to determine the exposure and sensitivity of the project objectives to climate-related risks, based on available information about historic climate-hazard occurrences, current climate trends and future climate-change scenarios. • Reviewing and assessing the ESIA terms of reference, the ESIA document/report and project-level plans, including the adequacy of the assessment of project impacts and the proposed measures to address issues to ensure they meet applicable safeguard standards, prior to project approval. • Approving project concept based on a determination that safeguard issues have been adequately addressed. If	• Providing accurate, reliable and timely information required in the SECAP screening checklist. • Designing, planning and preparing project concepts and proposals according to SECAP requirements. • Conducting ESDD in accordance with IFAD's requirements. • Overseeing the ESIA process and preparation of project management plans resulting from application of the standards and requirements of SECAP. • The costs for preparing the (abbreviated) background studies (feasibility studies, ESIAs, RAF/RAP, etc.) will be financed by the borrower/recipient/partner. Upon a written request by the borrower/recipient/partner, studies and assessments may be financed through the faster implementation of project start-up instrument. For project-level assessments ([abbreviated] ESCMF, ESCMP, ESIA, RAF/RAP, FPIC plan, indigenous peoples plans, environment and social audit and/or ex post ESIA, as required) undertaken during project implementation, the associated costs will be included in the project cost, including the cost for ensuring meaningful community participation. • Implementing all required consultations with project stakeholders, including informing affected communities and explaining the project to them; incorporating feedback from and changes agreed with them; and obtaining and documenting their free, prior and informed consent.

Project stage	*IFAD PDT*	*FI or direct investee*
	adverse environmental or social impacts outweigh the expected benefits, IFAD shall not support the project. • Disclosing of ESIA and project-level plans through the IFAD website.	
Implementation and supervision	• Reviewing and monitoring of client annual reporting, implementation of financial, technical and project-level plans, including through project kick-off/launch workshops, supervision missions, midterm reviews, field visits, audits and follow-up visits as appropriate to the scale, nature and risks of the project. • Providing feedback to clients on annual monitoring reports (AMRs) submitted. • Working with the borrower/recipient/partner to identify degree of compliance with all investment conditions and plan for corrective measures that achieve the results and uphold the safeguard standards expected under each project in cases when a project review finds that the borrower/recipient/partner is not following project-level plans (i.e. any of the safeguard-related management plans required). If these measures do not succeed in correcting the deficiencies, IFAD may withhold payment or suspend or cancel the grant/loan, as appropriate. • Disclosing completed project evaluations and results through the IFAD website (following donor acceptance, and subject to exclusion of proprietary and personal information).	• Executing project management plans and monitoring the effectiveness of risk mitigation measures; ensuring compliance with and adherence to all safeguards outlined in each of the plans, and undertaking corrective measures in cases where plans have not been executed satisfactorily or where negative or adverse impacts have arisen despite efforts to adhere to project plans. • Informing project-affected local authorities, other stakeholders and IFAD on project progress and on any unexpected and unintended events affecting those communities, in accordance with project-level plan requirements and the project's agreed-upon reporting schedule. • Incorporating feedback from project-affected parties and providing and documenting the process to obtain their free, prior and informed consent to any changes in the project plan. • Submit AMRs to IFAD to inform project's E&S risks and their mitigation, implementation status of ESCMPs and other plans, and actions to improve E&S compliance. • Producing a project completion report to document safeguard monitoring.

AMR = annual monitoring report; E&S = environmental and social; ESCMF = environmental, social and climate management framework; ESCMP = environmental, social and climate management plan; ESDD = environmental and social due diligence; ESIA = environmental and social impact assessment; FPIC = free, prior and informed consent; PDT = project delivery team; RAF = resettlement action framework; RAP = resettlement action plan; SECAP = Social, Environmental and Climate Assessment Procedures

HHH. 3. Screening

The requirements of standard 8 should be considered and addressed in an integrated manner during the screening process, using the SECAP screening tool to (i) help select the right partners by identifying strengths and weaknesses of the ESG policy of the organization, and (ii) evaluate the needs for capacity building support.
Table 4 below lists SECAP NSO screening questions and sections of this guidance note.

Table 4 - SECAP NSO screening questions

Questions to assess the capacities of private sector partners

1. Will the investment be granted to an institution that does not have an environmental and social policy and an associated environmental and social management system (ESMS) in place (transparent, publicly available)?

2. Will the investment be granted to an institution with insufficient capacities (e.g. unqualified personnel)?

3. Will the investment be granted to an institution that does not have an Exclusion List?

4. According to the institution's portfolio classification: does the institution have potential high-risk projects in their portfolio?
5. Is there evidence that the institution does not comply with the local legal framework?
6. The institution does not provide a stable communication channel with stakeholders and local communities (e.g. a grievance redress mechanism)
7. The institution does not provide auxiliary or capacity building support services.

III. 4. Guidance for developing the environmental and social management system, stakeholder engagement and monitoring and reporting

The three requirements contained within standard 8 focus on the development of an ESMS, which is a requirement for all FIs and direct investees.
Each requirement of standard 8 is presented in a box and is followed by specific guidance. The paragraph numbering ("Para. XX") corresponds to the numbered standard 8 requirements in the SECAP.

Paragraph 7: Environmental and social management system (ESMS)
FIs and direct investees are required to develop and maintain, in the form of an environmental and social management system, effective environmental and social management systems, procedures and capacity for assessing, managing and monitoring risks and impacts of subprojects, as well as managing overall portfolio risk in a responsible manner. This shall be proportionate to the risks and impacts of the given projects, and the risk profile of the FI's portfolio or the risks and impacts of the given project of a direct investee, as well as the risk profile of not-IFAD-financed projects the direct investee is engaged in.

As indicated in standard 8, an ESMS commensurate to the risk profile of the FI or direct investee should typically consist of the following elements:

i. An E&S policy;

ii. Identification of risks (environmental, social and climate due diligence);

iii. Management plans;

iv. Internal organizational capacity and competency;

v. Emergency preparedness and response; and

vi. Monitoring and review systems

These elements are summarized in table 5 for direct investments and table 6 for FIs, and then expanded upon in the sections that follow.
In some instances, ESMSs should also include requirements for stakeholder engagement, grievance mechanisms, and monitoring/reporting. These issues are dealt with below as separate requirements.

Table 5

Summary of environmental and social management system requirements for direct investees

E&S policy	In its environmental and social (E&S) policy, the direct investee should state the organization, E&S requirements, including host country's environmental, social health and safety (ESHS) Laws and Regulations and standards that will be used to manage the E&S risks and define the objectives and principles that guide the project to achieve sound E&S performance.
Identification of risks and impacts	Establish and maintain a process for identifying the E&S risks and impacts of the project. The process may comprise a full-scale E&S impact assessment or a limited or focused E&S assessment. The process will consider all relevant E&S risks and impacts of the project, including the issues identified in performance standards. Where the project involves specifically identified physical elements, aspects and facilities that are likely to generate impacts, E&S risks and impacts will be identified in the context of the project's area of influence.
Management plans	Develop environmental and social action plans (ESAPs) to specify how identified risks will be mitigated and/or managed.
Organizational capacity and competency	Establish and maintain organizational structure that defines roles, responsibilities and authority to implement the environmental and social management system (ESMS). Specific personnel, including management representative(s), with clear lines of responsibility and authority should be designated.
Emergency preparedness and response	Where the project involves specifically identified physical elements, aspects and facilities that are likely to generate impacts, the ESMS will establish and maintain an emergency preparedness and response system. Where applicable, the direct investee will also assist and collaborate with the potentially affected communities (ACs).
Monitoring and review	The direct investee will establish procedures to monitor and measure the effectiveness of the ESMS, as well as compliance with any related legal and/or contractual obligations and regulatory requirements. Senior management in the direct-investee organization will receive periodic performance reviews of the effectiveness of the ESMS, based on systematic data collection and analysis.
Stakeholder engagement	Engagement includes stakeholder analysis and planning, public disclosure and dissemination of information, consultation and participation, grievance mechanism, disclosure and ongoing reporting to ACs. IFAD will determine the need for broad community support, indicated by a collection of expressions by AC, through individuals or their recognized representatives, in support of the proposed business activity.
Procedures for monitoring and disclosure	Establish monitoring procedures to review progress with ESAPs and compliance of operations with any legal and/or contractual obligations and regulatory requirements. Monitoring occurs on two levels: (i) site visits by IFAD staff and (ii) submission of the direct investee's annual monitoring report on progress in meeting the E&S terms of the investment agreement. IFAD will disclose the direct investee's progress against the ESAP. The direct investee will provide ACs with access to relevant information on (i) the purpose, nature and scale of the project; (ii) the duration of proposed project activities; (iii) any risks to and potential impacts on such communities and relevant mitigation measures; (iv) the envisaged stakeholder engagement process; and (v) the grievance mechanism.

AC = affected community; E&S = environmental and social; ESAP = environmental and social action plan; ESHS = ; ESMS = environmental and social management system;

Table 6

Summary of environmental and social management systems for FI operations

E&S policy	In its environmental and social (E&S) policy, the financial intermediary (FI) should state the E&S requirements and standards that apply to the FI's lending/investment activities and that will be used to manage the E&S risk associated with the FI's portfolio.
Internal organizational capacity and competency	Establish and maintain an organizational structure that defines roles, responsibilities and authority to implement the environmental and social management system (ESMS). Adequate technical expertise should be available, either in-house or through external expert support, to carry out due diligence and manage the E&S risks of the given FI subprojects.

E&S due diligence processes	Establish and maintain a process to identify the E&S risks and impacts of operations, develop an environmental and social action plan (ESAP) and review proposed transactions against the exclusion list and national E&S laws and regulations. For higher-risk transactions, the FI will engage external qualified experts and develop the necessary supporting guidance documents and checklists. Reference to the ESAP in the legal agreement between the FI and its subclient should be added, if needed.
Categorization of subprojects	FI partner should categorize subprojects using the SECAP risk assessment tool as follows: • High risk (FI-1): significant in magnitude and spatial extent, permanent, diverse, irreversible or unprecedented; • Substantial risk (FI-2): potential adverse risks and impacts, mostly predictable, temporary and reversible; • Moderate risk (FI-3): Likely some adverse risks and impacts, predictable, temporary and reversible; • Low risk (FI-4): Risks not likely generated.
Application of SECAP standards 1-9	FIs with portfolio and/or prospective business activities that present substantial to high environmental or social risks (i.e. category FI-1 and FI-2) will require that activities they support apply relevant requirements of the standards.
Compliance with the host country ESHS laws and regulations	All FIs (FI-1 – FI-4). The FI requests a compliance statement in its investment agreements with clients/investees and reports to IFAD with an annual environmental performance report (AEPR).
Compliance with the exclusion list	All FIs (FI-1 – FI-4). The FI reports on compliance of the portfolio to IFAD with the AEPR (project brief, E&S category).
Clearance of high-risk projects	The FI will send E&S documentation on high-risk subprojects projects to IFAD for review and clearance. For compliance verification, IFAD (i) reviews the environmental and social information collected by the FI, (ii) determines any additional information needed, (iii) assists with determining appropriate mitigation measures and (iv) specifies conditions under which the subprojects may proceed.
Procedures for monitoring and review of portfolio	The FI will establish monitoring procedures to review progress with ESAPs and compliance of operations with any legal and/or contractual obligations and regulatory requirements. The FI reports on the portfolio to IFAD with the AEPR.
Disclosure	Good practice: the FI will communicate the E&S policy externally through public disclosure, presenting it in corporate statements and reports and publishing it on the FI's website.
Review of FI's environmental and social due diligence process	At least annually.
Emergency preparedness and response system	Where an IFAD client's operations involve activities and facilities that are likely to generate impacts, establish and maintain an emergency preparedness and response system to respond to accidental and emergency situations.
Manage working conditions	FI clients must manage working conditions according to SECAP standard 5.

AEPR = annual environmental performance report; E&S = environmental and social; ESAP = environmental and social action plan; ESHS = Environmental, Social, Health and Safety; ESMS = environmental and social management system; FI = financial intermediary; SECAP = Social, Environmental and Climate Assessment Procedures.

The following sections provide guidance on the five required components of an ESMS. Additional guidance can be found in the documents listed in Box 1, at the end of this section.

(lxxxviii) Guidance for the development of an environmental and social policy

Both direct investees and FIs are required to establish and maintain an overarching policy defining the E&S objectives and principles to guide sound E&S performance. The policy should state the E&S requirements and standards that apply to the direct-investment operation or the FI's lending/investment activities and that will be used to manage the E&S

risk associated with the FI's portfolio of borrowers/investees. The policy should be a short, written statement, which should be approved by senior management. The FI or direct investee should:

- Commit to incorporating E&S risk considerations into all activities;
- Set strategic E&S objectives;
- Consider excluding financing clients/investees whose business activities do not meet IFAD's principles;
- Establish E&S requirements for clients/investees such as complying with national E&S regulations and international standards;
- Commit to communicating E&S expectations to all staff, clients/investees and other external stakeholders;
- Commit to improving the overall E&S performance of its portfolio and business operations through enhanced risk management; and
- Commit to continually building the capacity of its staff to identify E&S risks.

There is no standard content for an E&S policy. The content should be tailored to the specific objectives of the direct investee/FI, reflecting key E&S priorities and concerns of the direct investee/FI and IFAD's E&S standards.
PDTs should encourage direct investees and FIs to address the general questions listed in table 7 while developing an E&S policy.

Table 7

Questions for directing the design of an environmental and social policy for a financial intermediary or direct investee

Does the policy focus on the key environmental and social risks and opportunities?
Does it cover the full range of issues (including labour and employment practices, supply chains or other third parties) and clearly articulate the standards that the company will seek to achieve?
Does it address the exclusion list, host country ESHS laws and regulations and relevant requirements of IFAD's environmental and social standards, as outlined in section 4?
Who is accountable for implementation and oversight of policy implementation?
Has the policy been communicated to employees or others (including investors)?
Is the policy public and are there commitments to report on progress?
What evidence is there that the policy evolves over time?

(lxxxix) Guidance for the identification of environmental and social risks and opportunities

Many FIs are exposed to some level of E&S risk through the activities of their borrowers/investees, which can represent a financial, legal and/or reputational risk to the FIs. The E&S risks associated with the internal operations of an FI are typically limited to managing aspects related to labour and working conditions of employees, as well as ensuring the safety of employees and visitors within its premises. Figure 1 represents the risk relationship between an FI and its clients/investees.

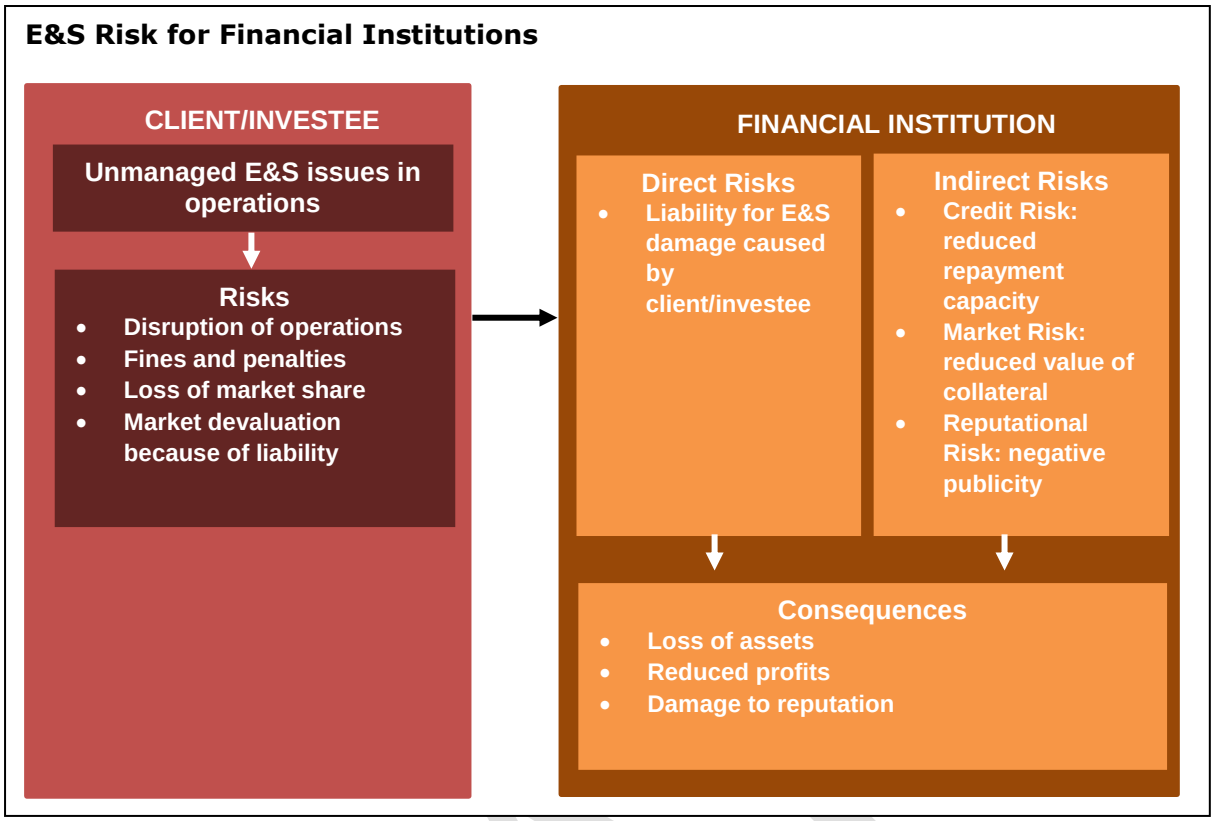


Figure 1. Relationship between risks faced by FIs and partner risk

The E&S risk associated with an FI's lending/investment activities depends on factors such as contextual risk associated with the country and region where the FI operates and directs funding, the specific E&S circumstances associated with the partner's sector and operations, the partner's track record and capacity and commitment to address these risks, and the type of financing provided by FIs, among others. Agriculture and fisheries sectors are generally accepted as presenting high E&S risks. A FI's exposure to these risks will vary depending on their business lines. Banking, microfinance, leasing and private-equity organizations face different E&S risks.

Considering and integrating E&S risk in the review of transactions is part of an FI's overall risk-management efforts. Doing so requires undertaking individual transaction screening and, where necessary, due diligence and monitoring.

The following are key considerations for a robust FI risk assessment system:

- Assess and prioritize risks according to both their probability and the severity of negative impacts; use IFAD's risk assessment tool as guidance for E&S risk categorization.
- Cover, at a minimum, biodiversity (standard 1), labour and working conditions (standard 5) and community health and safety (standard 6). If screening indicates that other IFAD standards are relevant, then these risks should be covered as well.
- Ensure that the subprojects do not support activities on the IFAD exclusion list and that they comply with host-country environmental, health and safety laws and regulations.
- Monitor the E&S performance at regular intervals – at least once a year.
- Conduct risk assessments any time there are significant changes to operations.
- Conduct a risk assessment any time there are external changes such as new laws or regulations.
- Include input from all levels of workers and managers.

- Include input from affected communities and other external stakeholders.
- Use external consultants and experts for complex projects.
- Link monitoring plans to prioritized risks.
- Consider risks in the supply chain in addition to those in the FI itself.
- Scale as appropriate to the size and complexity of the business.

Risk identification will be one of the more time-consuming aspects of developing an ESMS for a FI. FIs can start the process by addressing the general questions presented in table 8

Table 8

General questions for initiation of risk identification

Have risk identification questions been established for relevant standards, as identified during the screening process required by volume I of SECAP?
How have E&S issues been identified in previous financing of subprojects, and what evidence is there that the FI has implemented recommendations (i.e. through environmental and social impact assessment or E&S audit)?
Does baseline assessment seem credible and accurate? Does it fully assess impacts in the FI's area of influence?
What controls and expectations does the FI have in managing the E&S performance of third-party contractors (especially during construction work)?

Both direct investees and FIs will need to address more-detailed risk-identification questions related to the standards identified during the screening process required by volume I of SECAP. Extensive guidance on the kind of questions to be asked can be found in the documents listed in Box 1.

(xc) Guidance for the development of environmental and social management programmes

The next step in the development of an ESMS is to elaborate a management programme that includes an environmental and social action plan (ESAP) to help address the risks identified in the previous step. Direct investees and FIs should first seek to avoid any potential negative impacts of the risks. If that is not possible, they should take steps to minimize the impact of the risks. Finally, if they are unsuccessful in those efforts, they can offset or compensate for negative impacts after they have occurred.

Depending on the nature of E&S risks associated with the investment, an ESAP may be developed to implement appropriate mitigation measures to comply with its E&S requirements. The purpose of an ESAP is to mitigate potential E&S risks in the context of a transaction to an acceptable level.

For FIs, the scope of an ESAP should be tailored to each partner and adapted according to the specific risks identified during the subsequent transaction monitoring. ESAPs range from simple mitigation measures to detailed management plans with actions that can be measured quantitatively or qualitatively. The ESAP should include a description of the specific mitigation actions to be taken by the partner, together with its scope and time frame for completion. The time frame for implementation of specific mitigation measures will vary according to the E&S risk and may range from being a condition of transaction approval to a reasonable time frame from disbursement or from when E&S issues were identified during transaction monitoring. Table 9 provides a template that could be used to assisted in developing an ESAP.

Table 9

Template for an environmental and social action plan

Mitigation hierarchy	*Action*	*Performance indicators*	*Deadline*	*Responsible staff*	*Resources required*	*Operational procedures*

Avoid the risk	What should be done to avoid the risk?	What parameters should be monitored to determine success?	When will this be accomplished?	Who is responsible for ensuring that this occurs?	What human and financial resources are needed?	What procedures should be put in place to ensure that this action becomes part of daily processes?
Minimize the risk						
Compensate /offset negative aspects of risk						

Source: International Finance Corporation, *Environmental and Social Management System Implementation Toolkit: General* (Washington, D.C.: IFC, 2015).

(xci) Guidance for building internal organizational capacity and competency

An ESMS will only work in practice if the direct investee/FI can establish and maintain an organizational structure that defines roles, responsibilities and authority to implement it. An ESMS is more than a set of documents. A key component of any ESMS is organizational capacity and competency. Even the best-written policies, systems and procedures cannot be successfully implemented without the necessary human and financial resources.
Organizational capacity needs for implementing the ESMS will vary depending on the E&S risk profile of a FI's portfolio or direct investee's business operations. The FI/direct investee may use qualified in-house staff and/or retain external experts to conduct the necessary environmental and social due diligence (ESDD) for transactions with the intent of meeting all applicable requirements of national E&S laws and regulations and, where relevant, the IFAD environmental and social standards.
While day-to-day operations of the ESMS can be delegated, the FI's/direct investees senior management is ultimately responsible for E&S risk management and should allocate sufficient resources to implement the ESMS. This requires designating and communicating E&S responsibilities to relevant personnel to conduct the necessary ESDD, incorporating ESDD conclusions into the processes for monitoring investment decision-making at both the transaction and portfolio levels, and providing appropriate incentives for doing so. The Board, where it exists, is expected to play an oversight role in monitoring of ESMS implementation, including reporting on E&S risk management.
The direct investee/FI should ensure that responsible staff has sufficient knowledge for managing the E&S risks, as well as implementing and maintaining the ESMS. Training programmes are an important component to ensure that all relevant personnel understand their E&S responsibilities.
Ideally, a FI/direct investee should establish an ESMS Team made up of people holding a range of functions. Where this is not feasible, at the least one ESMS officer should be appointed to lead the development of the ESMS and to communicate with senior management on E&S issues and concerns. At a minimum, the questions in table 10 should be asked by a FI/direct investee as it builds its organizational capacity to implement its ESMS.

Table 10

Questions related to building fi organizational capacity

Has a staff member been appointed as the ESMS officer?
Do staff with responsibilities for implementing the ESMS have appropriate skills, capacity and authority to ensure it is implemented?

Which member of the senior management team has oversight for the ESMS? Do they seem engaged and do they have sufficient time to devote to oversight? What do they see their role as being?

Are the responsibilities of other employees clear and understood?

In order to develop organizational capacity, it is necessary to train staff appropriately. One option is to utilize progressive training techniques: initially, the training should raise participants' awareness about the ESMS; next, training should develop participants' commitment to the ESMS; and finally, it should teach participants how to implement the ESMS.

(xcii) Guidance for developing emergency preparedness and response

Where operations involve activities and facilities that are likely to generate impacts, an emergency preparedness and response system should be developed to respond to accidental and emergency situations.
This means that direct investees/FIs need to ensure that the necessary emergency preparedness and response plans are in place within its premises to protect the health and safety of its employees and visitors. Effective emergency preparedness and response plans should identify responsibilities and procedures for communicating different types of emergencies (e.g. fire, earthquake or robbery) to the appropriate authorities and for safe evacuation. Plans should also include specific training and practice requirements (i.e. simulations and drills).
Buildings that are owned or rented/leased by the direct investee/FI that are accessible to the public should be designed, constructed and operated in compliance with local building codes, local fire department regulations and local legal requirements. Table 10 presents the suggested outline of an emergency preparedness and response plan.
Depending on their categorization, FIs may also need to require subproject clients to develop emergency preparedness and response plans.

Table 11

Suggested contents of an emergency preparedness and response plan

- Identification of potential emergencies based on hazard assessment;
- Procedures to respond to the identified emergency situations;
- Procedures to shut down equipment;
- Procedures for rescue and evacuation;
- List and location of alarms and schedule of maintenance;
- List and location of emergency response equipment (firefighting, spill response, first aid kits, personal protection equipment for emergency response teams);
- Protocols for the use of the emergency equipment and facilities;
- Schedule for periodic inspection, testing and maintenance of emergency equipment;
- Clear identification of evacuation routes and meeting points;
- Schedule of trainings and drills, including with local emergency response services (firefighters);
- Procedures for emergency drills;
- Emergency contacts and communication protocols, including with communities when necessary, and procedures for interaction with the government authorities; and
- Procedures for periodic review and update of emergency response plans.

Box 1. Additional guidance on development of environmental and social management systems

- World Bank, *Environment & Social Framework for IPF Operations: ESS 9 Financial Intermediaries; Guidance Note for Borrowers* (Washington, D.C.: World Bank, 2018),

http://documents1.worldbank.org/curated/en/484961530217326585/ESF-Guidance-Note-9-Financial-Intermediaries-English.pdf

- Inter-American Investment Corporation, *IIC Environmental and Social Guidance Document* (Washington, D.C.: IIC, no date), https://www.idbinvest.org/es/download/7014#:~:text=1.2%20This%20Environmental%20%26%20Social%20Guidance,activities%20in%20accordance%20with%20the
- International Finance Corporation, *Environmental and Social Management System Implementation Toolkit: General* (Washington, D.C.: IFC, 2015), https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/publications_handbook_esms-general
- IFC, *Interpretation Note on Financial Intermediaries* (Washington, D.C.: IFC, 2012, updated 2018), https://www.ifc.org/wps/wcm/connect/a6de7f69-89c8-4d4a-8cac-1a24ee0df1a3/FI%2BInterpretation%2BNote.pdf?MOD=AJPERES&CVID=n27ywSg.
- FIRST for Sustainability: Financial Institutions, Resources, Solutions and Tools, "Home," FIRST for Sustainability, https://firstforsustainability.org/
- CDC, "ESG Toolkit for Fund Managers," CDC, https://toolkit.cdcgroup.com/
- IFC, *Environmental and Social Management System Toolkit: General* (Washington, D.C.: IFC, no date), https://www.ifc.org/wps/wcm/connect/6147cbba-efe8-4879-ba77-c7af63bede7c/ESMS_Toolkit_General.pdf?MOD=AJPERES&CVID=l50s0OZ
- Principles for Responsible Investment, "Home," PRI, https://www.unpri.org/.

Paragraph 8: Stakeholder engagement

The FI or direct investee will put in place procedures for external communications on environmental and social matters proportionate to the risks and impacts of the given (sub)projects and the risk profile of the FI's portfolio. The FI or direct investee will establish a grievance redress mechanism to respond to concerns and grievances of project-affected parties related to environmental and social performance of the investment in a timely manner. The scope, scale and type of grievance mechanism will be proportionate to the nature and scale of the potential impact and risk of the investment. The FI or direct investee will respond to public enquiries and concerns in a timely manner. FIs and direct investees are also encouraged to publish their corporate environmental and social policy or a summary of their ESMS on their website, if available. FIs will list on their website the link to any publicly available environmental and social impact assessment or relevant documents for high-risk subprojects which they finance.

An ESMS should contain requirements for stakeholder engagement, external communication and grievance mechanisms. For FIs, some of these requirements will be the prime responsibility of the FI's clients, through the financing of subprojects. Initial questions that FIs/direct investees should answer about how to engage with stakeholders are presented in table 12.

Table 12

Initial questions for determining stakeholder engagement requirements

Does the FI/direct investee have a stakeholder engagement plan?
For FIs, does the ESMS require clients/investees with subprojects to have a stakeholder engagement plan?
Does the FI/direct investee disclose information on E&S performance to local communities? If so what information and does it seem appropriate to the audience?
Do communities (or other stakeholders) feel that their interests have been taken seriously by the direct investee or FI and/or the partner?
How does the FI/direct investee respond to any criticisms that it receives from stakeholders?
Does the FI/direct investee have a grievance redress mechanism in place?

The nature, frequency and depth of engagement is a function of the scale and degree of risk, and stakeholder engagement plans should be commensurate with the degree of risk and impact that local communities (and others) may face.
Table 13 presents the outline of a simple stakeholder engagement plan that can be used by both FIs and direct investees. It also provides examples of stakeholders that may be affected by, or may influence, the operations of the direct investee, the FI or the FI's clients.

Table 13

Template for a stakeholder engagement plan

Stakeholder	*Concerns*	*Engagement method*	*Information to disclose and report back*	*Most valuable information to obtain*
	What is this stakeholder concerned about?	How can this stakeholder be engaged? What is the most effective method of two-way communication? How frequently does this group need to be engaged with?	What does this stakeholder need to know?	What does the FI or client need to know about or from this stakeholder?
Employees				
Local community				
NGOs				
Consumers				
Media				
Regulators				

Source: Adapted from, IFC, *Environmental and Social Management System Toolkit: General* (Washington, D.C.: IFC, no date).

Where significant risks are evident, the direct investee, FI or client should consider engaging third-party expert assistance in developing a stakeholder engagement plan.
Where there are potentially significant adverse impacts on affected communities (often identified via an [abbreviated] ESIA, ESMF or other plans) the direct investee, FI or client should consider appointing expert third-party specialists to assist in the development of consultation processes.
IFAD also requires the direct investee/FIs that it finances to implement and maintain a procedure for external communications that includes methods to receive, register, screen and assess, track, respond to and act upon external inquiries and complaints from the public regarding their operations. In addition, where the direct investment/FI's subprojects involve specifically identified physical elements – aspects and facilities that are likely to generate adverse E&S impacts on affected communities – a grievance mechanism is required. Unless an FI's own operations generate adverse E&S impacts on affected communities or the environment, a grievance mechanism is not required as an element of the FI's ESMS. However, the FI should require a subproject client to establish and maintain a grievance mechanism if the subproject in question has adverse impacts on affected communities.
Those direct investees/FIs required to apply IFAD's standards to their financing and investment activities should establish and maintain an external communications mechanism (ECM). An ECM involves implementing a process for receiving, analysing, recording and responding (if deemed necessary) to views, opinions, concerns (real or perceived) and requests for information from third parties, e.g. concerns related to the FI's investment activities and/or a borrower in its portfolio. The complexity of such a process may vary; for

example, it may be simple for direct investee/FIs with limited exposure to higher-risk transactions.

Box 1. Additional guidance on establishing grievance mechanisms

- International Finance Corporation, *Addressing Grievances from Project-Affected Communities: Guidance for projects and companies on designing grievance mechanisms*. Good Practice Note (Washington, D.C.: IFC, 2009), https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/publications_gpn_grievances
- Office of the Compliance Advisor/Ombudsman, *A Guide to Designing and Implementing Grievance Mechanisms for Development Projects*. Advisory Note (Washington, D.C.: CAO, 2008), http://www.cao-ombudsman.org/howwework/advisor/documents/implemgrieveng.pdf

The ECM should provide publicly available and easily accessible channels (e.g. phone number, website, e-mail address) to receive communications and requests from the public for information regarding E&S issues. It is recommended that such channels be devoted exclusively to receiving information on E&S issues, but general channels that also allow for E&S communication are acceptable. The direct investee/FI will assess the relevance of the external communication received and determine the level of response required, if any.

Paragraph 9: Monitoring and reporting

The FI or direct investee will submit, in a form acceptable to IFAD, annual environmental and social reports on the implementation of its ESMS. The FI or direct investee will promptly notify IFAD of any significant accidents or incidents associated subprojects. If the risk profile of an FI or direct investeeincreases significantly, the FI or direct investee will notify IFAD.

An ESMS should be designed to evolve. Monitoring and review are critical components of the ESMS because these two activities enable FIs/direct investees to check and adjust the system. Action plans need to be monitored to ensure that they are implemented and that procedures are being followed.

FIs and direct investees should establish monitoring procedures to review progress with their ESAP and the ESAPs of FI clients and compliance of operations with any legal and/or contractual obligations and regulatory requirements. This should include periodic review of the effectiveness of the direct investee's and FI's own ESMSs in managing the E&S risks. For a FI, this requires monitoring each client's/investee's E&S performance against the FI's E&S policy, the ESDD findings and E&S contractual obligations, including the ESAP (if required). The extent and frequency of monitoring should be commensurate with the E&S risk and potential impacts of the transaction as identified through ESDD. Depending on the monitoring outcome, the mitigation measures in the ESAP may need to be supplemented by additional activities.

The monitoring process should be conducted as part of the FI's ESMS implementation. It typically involves the use of qualified internal resources to review E&S reports received from clients/investees, review of relevant activities of respective national authorities and conducting periodic site visits, as appropriate. In the case of clients/investees involved in high-risk subprojects, support from external qualified experts is necessary unless the FI client has sufficient qualified and experienced in-house capacity to manage E&S risks and impacts associated with the activities financed. Monitoring of outcomes and ESAP implementation process should be documented, and the FI should work with clients/investees to provide guidance on the implementation of proposed corrective actions. FIs or direct investee should periodically review the implementation effectiveness of their ESMS and adjust or update procedures, as needed, to enhance practices and efficiency, address potential changes in the E&S risk profile of their portfolio and respond to changes in the E&S regulatory environment.

FI clients, except those categorized as FI-4, will be required to submit annual E&S performance reports to IFAD. The scope of such reports will vary depending on the risk of the portfolio supported by IFAD.
For an FI, E&S performance reports for IFAD should typically include:

- Portfolio breakdown by sector and product lines, high-risk transactions and sample ESDD reports;
- Cases of non-compliance and significant E&S accidents or incidents related to a transaction;
- Information on the implementation of any changes to the FI's ESMS; and
- Where relevant, the FI clients' exposures to high-risk activities.

An FI may have additional reporting requirements to other stakeholders (internal and external) regarding E&S risks and impacts associated with its activities. IFAD will require, where possible, FI clients exposed to high-risk transactions to publicly disclose a summary of their ESMS.
Requirements for direct investments and FI reporting to IFAD are summarized in tables 14 and 15.

Table 14

Summary of requirements for direct investees reporting to IFAD

Supervision responsibilities	IFAD's effective E&S supervision entails periodic review of the direct investee's E&S compliance with the requirements of the IFAD investment contract. Review activities include (i) reviewing annual monitoring reports (AMRs) and giving E&S risk rating and feedback on compliance to the direct investees; (ii) undertaking supervision site visits, (iii) reviewing all other project-related information, (iv) establishing direct 's degree of compliance with all investment conditions such as covenants, ESAP implementation, etc.; (v) Identify good E&S practices to promote their replication in other projects in the portfolio; (vi) Identify poorly performing projects and where the fails to comply with its E&S commitments (vii) Advice the on how to manage E&S project issues, and; (viii) Communicate risks and consequences of compliance failures with the E&S requirements and initiate remedies.
Requirements for visiting the Direct Investees	All active high- and substantial-risk investment projects should be supervised at least once a year.
Reporting frequency	AMRs are required for all but low-E&S-risk projects. The AMR, including a status report on ESAP tasks, is the direct investee's primary communication channel for reporting E&S performance to IFAD.
Reporting content	• The project's performance compared to the requirements of the ESAP; • The implementation degree and effectiveness of the project's ESMS; • Conclusions and completion status of remedial actions from previous AMR reviews; • The effectiveness of the direct investee's grievance mechanism and community engagement; and • All other project-specific E&S reporting requirements defined in the investment agreement.
Reporting templates	Tailored by sector and E&S category.
Review of AMRs	E&S specialists complete a formalized AMR review report with the environmental and social risk assessment and submit the report to the direct investee through the portfolio officers.
Record keeping	File manager for all E&S documents and communication.
External communications mechanism	Establish and maintain an external communications mechanism.

AMR = annual monitoring report; E&S = environmental and social; ESAP = environmental and social action plan; ESDD = environmental and social due diligence; ESMS = environmental and social management system; FI = financial intermediary.

Table 15

Summary of requirements for financial intermediaries reporting to IFAD

Requirements for visiting the FI	FIs categorized as FI-1 and/or with high-risk subprojects should be visited annually.
Requirements for visiting subprojects	Visit at least one high-risk subproject when visiting the FI.
Reporting frequency	Annual environmental performance reports (AEPRs) for FI-1–FI-3 projects.
Reporting content	FI-1–FI-3 submit regular E&S performance reports describing progress made with respect to the ESAP and effectiveness of ESMS implementation at least annually, including: • Portfolio breakdown by sectors and product lines, high-risk transactions and sample ESDD reports; • Update on progress achieved in E&S covenants; • Cases of non-compliance and significant E&S accidents (lost time accident rate, fatality rate) or incidents related to a transaction; • Information on the implementation of any changes to the FI's ESMS; and • Where relevant, the FI clients' exposure to high-risk activities.
Review of AEPRS	E&S specialists complete a formalized AEPR review report with the environmental and social risk assessment and submit the report to FI through the portfolio officers.
Record keeping	File Manager for all E&S documents and communication.
External communications mechanism	Establish and maintain an external communications mechanism.

AEPR = annual environmental performance report; E&S = environmental and social; ESDD = environmental and social due diligence; ESMS = environmental and social management system; FI = financial intermediary.

Guidance Note 9: Climate change

JJJ. 1. Introduction

Climate change is important to IFAD for two main reasons.

The first is that climate change may adversely affect the resilience of communities and thus threaten the sustainability of projects financed. This needs to be taken into account in the design of initiatives planned for funding. This aspect of climate-change risk and response is referred to as "adaptation."

The second reason why IFAD needs to take climate change seriously is that projects have the potential, either individually or cumulatively, to increase or reduce global greenhouse gas (GHG) emissions. Projects can therefore have a negative or positive impact on the climate. Efforts to reduce GHG emissions are referred to as climate change "mitigation."

This dual aspect of climate risk has been built in to standard 9 of IFAD's Social, Environmental and Climate Assessment Procedures (SECAP)[338] and is replicated in this guidance note.

This guidance note has been prepared to provide IFAD's project delivery teams (PDTs) and borrowers/recipients/partners with advice on how to:

- Ensure that projects integrate climate-change adaptation considerations and do not exacerbate vulnerability of communities to climate-change impacts or increase disaster risks;
- Strengthen ability of communities to address risks of climate-change impacts and disasters; and,
- Minimize programming-related GHG emissions and intensity and maintain carbon sinks.

It also includes operational tools to help identify and manage some of the common adaptation and mitigation issues faced by project developers.

The requirements of standard 9, and the related screening questions in the SECAP climate screening tool, aim to ensure that IFAD-supported programmes and projects are appropriately resilient in the face of climate change, and do not inadvertently lead to increased vulnerability or increased GHG emissions.

This guidance note is designed as a concise "where to" guide that helps users find appropriate external guidance. Section 2 provides an overview of the key process steps for addressing the requirements of standard 9 and summarizes the roles and responsibilities of PDTs and borrowers/recipients/partners in the context of SECAP. Section 3 provides detailed background on the climate screening questions, with links to additional climate screening resources. Section 4 provides a discussion of key issues related to addressing both of the specific standard 9 requirements. Section 5 provides an overview of the key monitoring and implementation issues relating to climate change.

[338] IFAD, *Social, Environmental and Climate Assessment Procedures: Volume 1* (Rome: IFAD, 2020). [INSERT LINK WHEN AVAILABLE].

KKK. 2. Key steps and roles and responsibilities

Table 1 provides a quick overview of the key steps in the process for addressing the requirements of Standard 9: Climate change.

Table 1

Quick overview of key steps for addressing requirements of Standard 9: Climate change

Screen potential risks

- Screen proposed projects using the SECAP climate screening procedure to identify potential adverse impacts of climate change on the project and impacts from the project on greenhouse gas emissions.
- Categorize project risk (low/moderate/substantial/high).
- Develop a stakeholder engagement plan and start early consultation to identify options to avoid potential adverse impacts (substantial- and high-risk projects).

Assess potential risks and impacts

- For substantial and high-risk projects, assess direct and indirect adverse climate-related impacts on projects or from projects.
- Produce a vulnerability impact and adaptation assessment for potential high-risk projects.
- Produce a targeted adaptation assessment for substantial-risk projects.
- For moderate-risk projects, undertake a literature review of climate assessments.
- For low-risk projects, no climate assessment is required.
- Utilize relevant expertise and ensure impacts are assessed at appropriate geographic scale.
- Ensure that the level of stakeholder engagement is at a scale appropriate to potential risks/impacts.

Mitigate, manage and monitor risks and impacts

- For substantial-/high-risk projects, apply the precautionary principle and follow the mitigation hierarchy.*
- Develop management plans that reflect relevant requirements of the standard. Where specific details and sites of proposed projects are not yet fully defined, develop a management framework. The scale of the plan will vary depending on the nature and magnitude of potential risks and impacts.
- Monitor all management measures and actions.

***** The mitigation hierarchy is applied by (a) anticipating and avoiding risks and impacts; (b) where avoidance is not possible, minimizing or reducing risks and impacts; (c) once risks and impacts have been minimized or reduced, mitigating them; and (d) where residual adverse impacts remain, compensating for or offsetting them, where technically and financially feasible.

2.1 SECAP roles and responsibilities

The roles and responsibilities outlined table 2 describe the major functions of IFAD PDTs and the borrower/recipient/partner in the SECAP process during project identification, preparation and implementation.[339]

Table 2

Roles and responsibilities of IFAD project delivery teams and the borrower/recipient/partner in the social, environmental and climate assessment procedures process

Project stage	*IFAD PDT*	*Borrower/recipient/partner*
Identification, preparation and development	• Overseeing application of SECAP processes, including gender mainstreaming. • Screening projects to determine if they trigger all safeguard standards, including whether a full or limited EISA is required.	• Providing accurate, reliable and timely information required in the SECAP screening checklist. • Designing, planning and preparing project concepts and proposals according to SECAP requirements.

[339] Further information is provided in section 1.3 of IFAD, *Social, Environmental and Climate Assessment Procedures: Volume 1* (Rome: IFAD, 2020). [INSERT LINK WHEN AVAILABLE].

Project stage	*IFAD PDT*	*Borrower/recipient/partner*
	• In addition to the environmental and social screening and categorization process, a parallel exercise should be undertaken by PDTs to determine the exposure and sensitivity of the project objectives to climate-related risks, based on available information about historic climate-hazard occurrences, current climate trends and future climate-change scenarios. • Reviewing and assessing the EISA terms of reference, the EISA document/report and project-level plans, including the adequacy of the assessment of project impacts and the proposed measures to address issues to ensure they meet applicable safeguard standards, prior to project approval. • Approving project concept based on a determination that safeguard issues have been adequately addressed. If adverse environmental or social impacts outweigh the expected benefits, IFAD shall not support the project. • Disclosing of EISA and project-level plans through the IFAD website.	• The costs for preparing the background studies (feasibility studies, ESISAs, RAF/RAP, etc.) will be financed by the borrower/grant recipient. Upon a written request by the borrower/grant recipient, studies and assessments may be financed through the Faster Implementation of Project Start-up instrument. For project-level assessments (ESCMF, ESCMP, EISA, RAF/RAP, FPIC plan, indigenous peoples plans, environment and social audit and/or ex post EISA, as required) undertaken during project implementation, the associated costs will be included in the project cost, including the cost for ensuring meaningful community participation. • Overseeing the EISA process, and preparation of project management plans resulting from application of the standards and requirements of SECAP. • Implementing all required consultations with project stakeholders, including informing affected communities and explaining the project to them; incorporating feedback from and changes agreed with them; and obtaining and documenting their free, prior and informed consent.
Implementation	• Reviewing and monitoring of implementation of financial, technical and project-level plans, including through project kick-off/launch workshops, supervision missions, midterm reviews, field visits, audits and follow-up visits as appropriate to the scale, nature and risks of the project. • Working with the borrower/recipient/partner to identify and plan for corrective measures that achieve the results and uphold the safeguard standards expected under each project, in cases when a project review finds that the borrower/grant recipient is not following project-level plans (i.e. any of the safeguard-related management plans required). If these measures do not succeed in correcting the deficiencies, IFAD may withhold payment or suspend or cancel the grant/loan, as appropriate. • Disclosing completed project evaluations and results through the IFAD website (following donor acceptance, and subject to exclusion of proprietary and personal information).	• Executing project management plans and monitoring the effectiveness of risk mitigation measures; ensuring compliance with and adherence to all safeguards outlined in each of the plans, and undertaking corrective measures in cases where plans have not been executed satisfactorily or where negative or adverse impacts have arisen despite efforts to adhere to project plans. • Informing project-affected local authorities, other stakeholders and IFAD on project progress and on any unexpected and unintended events affecting those communities, in accordance with project-level plan requirements and the project's agreed-upon reporting schedule. • Incorporating feedback from project-affected parties and providing and documenting the process to obtain their free, prior and informed consent to any changes in the project plan. • Producing a project completion report to document safeguard monitoring.

ESCMF = environmental, social and climate management framework; ESCMP = environmental, social and climate management plan; ESIA = environmental and social impact assessment; FPIC = free, prior and informed consent; PDT = project delivery team; RAF = resettlement action framework; RAP = resettlement action plan; SECAP = Social, Environmental and Climate Assessment Procedures

2.2 Objectives and requirements

The requirements set out in Standard 9: Climate change are designed to achieve the following objectives:

- Ensure alignment of IFAD-supported projects with targets and priorities of countries' Nationally Determined Contributions and the goals of the Paris Agreement and other international frameworks;
- Ensure that proposed activities are screened and assessed for climate change and disaster risks and impacts both of and to projects;
- Apply the mitigation hierarchy in project design;
- Strengthen resilience of communities to address risks of climate change impacts and climate-related disasters;
- Increase the ability of communities to adapt to the adverse impacts of climate change, and foster climate resilience and low GHG-emitting projects that do not threaten food production.

LLL. 3. Screening

Good screening is the first step in designing an efficient and effective assessment and mitigation process. It should aim to inform project avoidance and minimization of impacts at an early stage. Although screening for climate risk takes place separately from screening for environmental and social impacts, PDTs should take account of the outcomes of climate screening in the design of projects.

When climate screening is done properly, it indicates the significance of climate risk and therefore whether standard 9 is applicable. As indicated in section 3 of SECAP Volume I, if a project is screened as being potentially high risk, then a vulnerability impact and adaptation assessment will be required. If climate screening results in a potential project being considered to be of substantial risk, then a targeted adaptation assessment will be required. Generic terms of reference for these assessments are provided in volume 3.

The requirements of standard 9 should be considered and addressed in an integrated manner during the screening process, using IFAD's climate screening procedure and climate-risk classification.[340] Screening helps to determine whether climate threats will be a major project issue and, if so, what features require studying and assessment.

The purpose of climate risk screening is to:

- Identify short- and long-term climate risks that may impact or alter the outcomes of an investment project;
- Assess how these climate risks might impact the project and its potential for increasing the vulnerability of the expected target populations to climate hazards; and
- Ensure that the climate risks are considered and effectively integrated into activities and interventions by the project development teams.

Effective climate-risk screening involves combining a preliminary analysis of risk to the project and host communities from climate change with an assessment of potential project-generated GHG emissions.

It should be noted that the approach presented below provides for high-level screening at an early stage of project development. It does not provide a detailed risk analysis, nor does it suggest specific options for increasing a project's resilience. It is intended to help determine the need for further studies, consultation and/or dialogue in the course of project design.

Screening requires:

- An initial understanding of project components and location; and

[340] IFAD, *Social, Environmental and Climate Assessment Procedures: Volume 1* (Rome: IFAD, 2020). [INSERT LINK WHEN AVAILABLE].

- Some knowledge of the project's country context, including the agriculture sector and the political, social and economic context.

No specialized knowledge of climate change and disasters is required.

Box 1 provides a list of additional resources for screening climate risk of projects.

Box 1. Additional resources for screening of climate risk to projects

- World Bank, "Climate Change Knowledge Portal," World Bank Group, https://climateknowledgeportal.worldbank.org/.
- African Development Bank, *Climate Safeguards System (CSS): Climate Screening and the Adaptation and Review Evaluation Procedures; Booklet* (Abidjan: AfDB, no date), https://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/CSS%20Basics-En_def.pdf.
  This booklet presents a set of decision-making tools and guides used by AfDB to screen projects in vulnerable sectors for climate-change risks and identify appropriate adaptation measures to reduce vulnerability. It covers the agriculture, water, energy and transport sectors.
- Global Facility for Disaster Reduction and Recovery, "ThinkHazard!", https://climateknowledgeportal.worldbank.org/.
  Think Hazard! is a web-based tool enabling non-specialists to identify potential natural hazards in their project area and understand how to reduce their impact.
- Japan International Cooperation Agency, "Climate Change: JICA Climate-FIT (Mitigation)," JICA, https://www.jica.go.jp/english/our_work/climate_change/mitigation.html.
  The Climate Finance Impact Tool is designed to screen for risks in the early stages of project development. It is designed for offline use in under two hours.
- Caribbean Community Climate Change Centre, "CCORAL: Caribbean Climate Online Risk and Adaptation TooL," CCCCC, http://ccoral.caribbeanclimate.bz/.
  CCORAL guides users to identify whether an activity is likely to be influenced by climate change. The tool is focused on the Caribbean region. It may be completed in under two hours.
- International Institute for Sustainable Development, "CRiSTAL: Community-based Risk Screening Tool – Adaptation & Livelihoods,", IISD, https://www.iisd.org/cristaltool/.
  CRiSTAL is based on a participatory, local-scale approach to prioritize climate risks. Tool versions are available for food security and forests.
- UKCIP, "BACLIAT vulnerability assessment,", UKCIP, https://www.ukcip.org.uk/wizard/future-climate-vulnerability/bacliat/.
  The Business Areas Climate Assessment Tool is a workshop-based process designed to help users consider the potential impacts of future climate change on business areas.
- Toni Lyn Morelli et al., *Climate Project Screening Tool: An Aid for Climate Change Adaptation* (Albany, CA, USA: United States Department of Agriculture, Forest Service, Pacific Southwest Research Station, 2012), https://www.fs.fed.us/psw/publications/documents/psw_rp263/psw_rp263.pdf.
  The US Department of Agriculture's Forest Service Climate Project Screening Tool is a process-oriented tool designed to help land managers integrate climate-change considerations into project planning. The tool may be completed in under two hours.
- Patty Glick et al., editors, Scanning the Conservation Horizon: A Guide to Climate Change Vulnerability Assessment (Washington, D.C.: National Wildlife Federation, 2011), https://www.nwf.org/~/media/pdfs/global-warming/climate-smart-conservation/nwfscanningtheconservationhorizonfinal92311.ashx
  The National Wildlife Federation's Scanning the Conservation Horizon: A Guide to Climate Change Vulnerability Assessment is a guide for natural-resource managers for assessing key components of vulnerability, focusing on species, habitats or ecosystems.

- Climatelinks, “Climate Risk Screening and Management Tools,” Climatelinks, https://www.climatelinks.org/resources/climate-risk-screening-management-tool.
  These tools, developed by the United States Agency for International Development, are designed to guide users through the process of assessing and addressing climate-related risks.
- CEDRIG, “Climate, Environment and Disaster Risk Reduction Integration Guidance,” CEDRIG, https://www.cedrig.org/.
  The Climate, Environment and Disaster Risk Reduction Integration Guidance, developed by the Swiss Agency for Development and Cooperation, is a tool designed to systematically integrate climate, environment and disaster risk reduction into development cooperation and humanitarian aid in order to enhance the overall resilience of systems and communities.
- Scientific and Technical Advisory Panel, “STAP guidance on climate risk screening,” STAP, https://www.stapgef.org/stap-guidance-climate-risk-screening#:~:text=On%20climate%20change%20and%20disaster,%2C%20assessment%20and%20planning%20processes%E2%80%A6.
  STAP guidance on climate risk screening proposes a common standard for climate-risk screening of Global Environment Facility projects.

MMM. 4. Addressing climate-change requirements in assessment and management planning

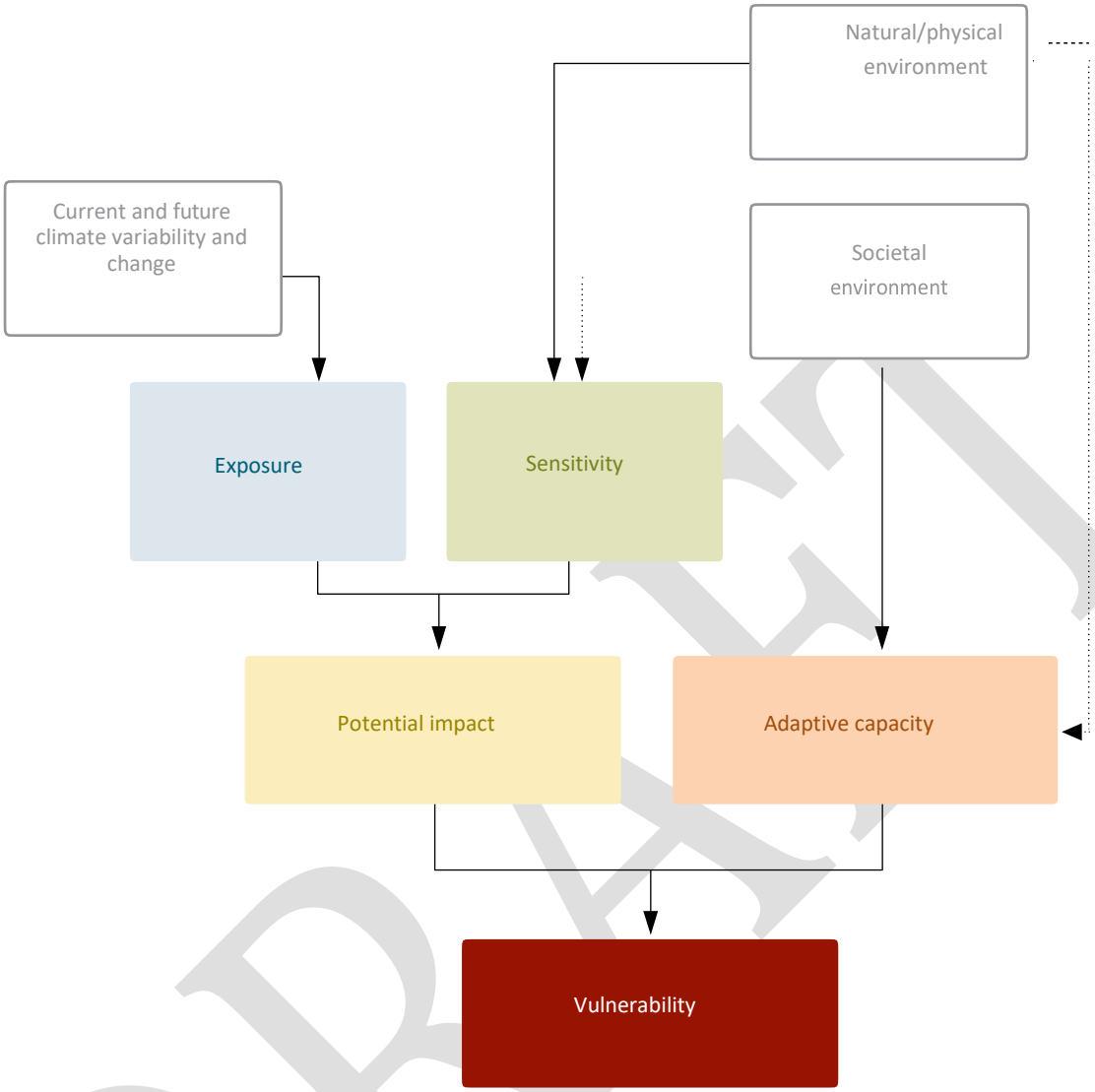
The two requirements contained within standard 9 both focus on analysing the significance of climate-change risk, both to and from potential projects. These analyses are necessary if projects are screened as being either high risk or substantial risk.
Each requirement of standard 9 is presented in a box, followed by specific guidance. The paragraph numbering (“paragraph XX”) corresponds to the numbered standard 9 requirements in SECAP volume 1.[341]

Paragraphs 7-10: Climate-change risk (impact of climate change on projects)
IFAD acknowledges the threat that climate-change impacts and risks pose to sustainable development and has integrated considerations for such potential adverse risks and impacts throughout the SECAP. Through the climate risk screening procedure, IFAD requires a screening for all projects to determine the exposure and sensitivity of the project objectives to climate-related risks (high, substantial, moderate or low) based on available information about historic climate-hazard occurrences, current climate trends and future climate-change scenarios.

The screening procedure outlined in SECAP Volume 1 highlights the importance of focusing on hazard, exposure and vulnerability when analysing the significance of climate-change impacts on proposed projects. As indicated in SECAP Volume 1, projects that are screening indicates are high risk will require the production of a vulnerability and adaptation assessment. See below for more detail on the how to screen risks using a four-step procedure.
Figure 1 indicates how the elements of the risk fit together in an “impact chain” leading to vulnerability.

[341] IFAD, *Social, Environmental and Climate Assessment Procedures: Volume 1* (Rome: IFAD, 2020). [INSERT LINK WHEN AVAILABLE].

Figure 1
Structure of an impact chain



(xciii) Step 1: Hazard identification

Hazard identification begins by focusing on baseline conditions. These are the unshaded boxes in figure 1. Local climate affects the baseline environment against which impacts are assessed. Vulnerability assessment should identify how the baseline environment will be affected by climate change and then assess impacts against this changed baseline. For proposals where scoping indicates that the effects of climate change on the baseline environment are likely to be a minor issue, refining the baseline may only require evaluation of minimum or intermediate climate-change scenarios.

(xciv) Step 2: Determining exposure and sensitivity

Together, exposure and sensitivity define potential impact.
The analysis of exposure to climate hazards should consider both the current climate variability and future climate change.
For current climate variability this can be determined by considering the available data for the recent history of the project location (or locations of project alternatives) and where there have been incidences of hazards such as flooding, drought, high temperatures, coastal erosion, etc.

The assessment of future climate change should take into consideration available relevant and reliable projections and forecasts covering the proposed physical lifespan of the project and/or its components.
Data from at least the national level should be used. For most projects, the more local and specific the data are, the more accurate and relevant the assessment will be. Some information, such as the incidence of flooding and landslides, will need to be site specific when considering site options.
Exposure factors usually follow a sequence that leads from readily measurable direct factors, such as temperature and precipitation, through to more complex, indirect factors such as evapotranspiration. The difference between exposure and impact is often opaque, For example, relatively direct impacts (e.g. water supply for crops) lead to more indirect ones (water scarcity in small-holding agriculture). As a general rule, only those factors that are directly determined by climatic factors (such as water availability from precipitation) are understood as exposure. The others are intermediate impacts.
Understanding “sensitivity” means asking questions such as “What are the characteristics of the system that make it susceptible to adverse effects of the changing climate?” When specifying sensitivity, the focus is on the natural or physical characteristics of the system including existing infrastructure such as irrigation systems or water storage. When looking at the quantity of water available from precipitation, for example, a relevant question is “Is the permeability of the soil type an important factor?”
Many factors identified under “sensitivity,” such as soil type, tend to be static and are inherent in the system. Other factors might be altered through human activity. One example is preparing for decreasing rainfall by switching to crops that require less water.

(xcv) Step 3: Determining adaptive capacity

This step assesses how potential impacts on key components/subsectors due to exposure to hazards is modulated by the project’s soft components and broader development context. The right kind of soft components can increase preparedness and long-term resilience and reduce risk. The following questions should be asked:

- Is there knowledge or expertise which might aid adaptation?
- What is the project doing to enhance adaptation?
- Are there technical options available and affordable that could enhance adaptive capacity?
- Is the country’s legislative framework sufficient to apply adaptive measures?
- How does the institutional environment contribute to adaptive capacity?
- Which economic and financial resources are available for enhancing adaptive capacity or implementing adaptation measures?

(xcvi) Step 4: Vulnerability

The final step in vulnerability and adaptation assessment combines the potential impact with the adaptive capacity to determine which climate hazards are relevant for the project as a result of the project type and its location.
If the sensitivity, exposure and adaptive-capacity assessments were undertaken in a detailed manner, the resulting vulnerability assessment will provide a ranking of the levels of vulnerability for each hazard. The more detailed the assessment is, the more useful the results will be in informing decision-making at the various project development phases.
The vulnerability assessment can also be considered as a risk screening stage, as it aims to identify which are the most relevant hazards to which the project is vulnerable. Those are the hazards that are then assessed in further detail at the risk-assessment stage.

Paragraphs 11-13: Climate-change analysis (impact of projects on greenhouse gas emissions)
In line with the requirements of standard 2 (Resource efficiency and pollution prevention), IFAD will seek to reduce both direct and indirect greenhouse gas emissions. Alternatives and implementation of technically and financially feasible options to reduce GHG emissions should be considered. Options may include alternative locations; use of renewable and low-carbon energy sources; energy efficiency; use of low-global-warming-potential coolants for air-conditioning and refrigeration; "climate smart" agriculture and livestock management practices; and ecosystem-based adaptation and mitigation measures. Where GHG emissions may be significant, potential sources should be characterized and estimated to form a baseline for reducing such emissions, provided such estimation is technically and financially feasible. The borrower/recipient/partner should support and adopt GHG accounting methodologies for programming activities according to good international practice; and protect, conserve and, where appropriate, incorporate carbon sinks into programming activities.[342]

While the main focus of climate-risk analysis should be on how climate change might affect IFAD-funded projects, it should not be forgotten that projects sometimes have the potential to add to the production of GHGs. The Intergovernmental Panel on Climate Change has estimated that agriculture and forestry emitted 23% of all anthropogenic GHG emissions in the 2007–2016 period.

Where the climate screening procedure indicates that a project has a high risk or substantial risk of adding to GHG emissions, PDTs should estimate the composition, magnitude and intensity of GHG emissions for each relevant element and phase of the proposal. This should be estimated by using a life-cycle approach and should include any effects of the proposal on carbon sinks. Estimating the proposal's net emissions requires careful examination of estimated emissions with and without the proposal. Also, net emissions should be evaluated against government or agriculture-sector best practices and reduction targets or objectives.

GHG emissions are dominated by fossil fuel combustion but also arise from deforestation and decay of biomass, soil conversion, land clearing and livestock-raising.

The kind of farm practices that might be expected to affect GHG emissions, and thus should be investigated by PDTs if projects are expected to have high or substantial risk of impact on climate change, include the following:

Crops

- Increasing yield
- Changing the amount of synthetic fertilizers
- Changing the type of synthetic fertilizers
- Using/changing the amount of organic fertilizers
- Increasing or reducing fuel consumption
- Increasing or reducing forest/woodland area

Livestock

- Changes in feeding
- Changes in feed composition
- Change in feed emissions (direct land-use change e.g. soya)
- Change in methane emissions
- Changes in herd structure and size
- Changes in livestock housing

[342] PDTs should consider using the Ex-Ante Carbon-balance Tool (EX-ACT), an appraisal system developed by FAO that provides estimates of the impact of agriculture and forestry development projects, programmes and policies on the carbon balance.

There are many GHG emission estimation methodologies available for use by agriculture projects (see box 2).

Box 2. Additional guidance on estimating greenhouse gas emissions from agriculture

- Food and Agriculture Organization of the United Nations, *Estimating Greenhouse Gas Emissions in Agriculture: A manual to address data requirements for developing countries* (Rome: FAO, 2015), http://www.fao.org/3/a-i4260e.pdf.
- Cool Farm Alliance, "The Cool Farm Tool," CFA, https://coolfarmtool.org/coolfarmtool/.
- Farm Carbon Calculator, "What is the Farm Carbon Calculator?" Farm Carbon Calculator, https://calculator.farmcarbontoolkit.org.uk/.
- Food and Agriculture Organization of the United Nations, "Climate Smart Agriculture Sourcebook," FAO, http://www.fao.org/climate-smart-agriculture-sourcebook/en/.
- Food and Agriculture Organization of the United Nations, "EX-Ante Carbon balance Tool (EX-ACT)," FAO, http://www.fao.org/tc/exact/ex-act-home/en/.
- I. Leinonen et al., *Comparative analysis of farm-based carbon audits* (Edinburgh, UK: ClimateXChange, 2019), https://www.climatexchange.org.uk/media/3584/farm-based-carbon-audits-final.pdf.

NNN. 5. Monitoring project implementation

IFAD requires that key documents be submitted to IFAD. Management plans include monitoring and reporting requirements that must be fully integrated into the project's overall monitoring plan. This includes tracking climate management measures through the financing cycle.

The extent of monitoring will be proportionate to the nature of the project, the project's climate risks and impacts, and compliance requirements. A project should not be considered complete until the measures and actions set out in the management plan have been implemented.

If there are substantive changes to the project during implementation or changes in the project context that alter the project's risk profile, then rescreening, assessment and revised management measures may be required.

Monitoring frequency is determined by the nature, scale and variability of resource use and any potential emissions and may range from continuous monitoring to daily, monthly, annually or less frequently, depending on the nature of the project. In some cases, end-of-pipe emission flows can be diluted to meet emission standards while maintaining the same aggregate emission of pollutants into the environment. Therefore, it may be useful to monitor resource use as well as emission flows and emission loads. If there are substantive changes to the project that modify the emissions, monitoring needs may also change. Monitoring is particularly important for projects with impacts that are uncertain and/or potentially irreversible. These projects consequently may call for more frequent or more detailed evaluation of emission levels or ambient quality. Guidance on recommended monitoring approaches and frequencies appropriate to the nature of their operations is available from many internationally recognized sources including the World Bank EHSGs.

Findings from monitoring programmes should be regularly evaluated and management and mitigation responses should be adapted as necessary to ensure that the project is maximizing resource efficiency and minimizing pollution.

Where appropriate, stakeholders and third parties, such as independent experts, local communities or NGOs, should complement or verify monitoring activities.

SECAP compliance review activities should be appropriate to the type and scope of the requirements, and may include:

- Reviewing monitoring reports, conducting site visits and reviewing project-related information;
- Reviewing compliance with SECAP standard requirements;
- Advising partners on how to manage issues related to SECAP and the standard; and
- Communicating risks and probable consequences of failure to comply with the SECAP requirements and initiating remedies if the borrower/recipient/partner fails to (re)establish compliance.

Guidance Note 10: IFAD's mainstreaming themes in the project cycle

OOO. 1. Introduction

This guidance note provides an overview of the importance of IFAD's mainstreaming commitments; highlights entry points for promoting mainstreaming along the project cycle; proposes the use of assessments which – even if they may be focused on risk assessment and management – are opportunities for mainstreaming; and inventories key sources of data, tools, methods and approaches that have been found useful. IFAD's mainstreaming commitments are related to environmental sustainability, climate finance, gender equality, women and youth empowerment and improved nutrition.

This guidance note is not, however, intended to be a comprehensive guide to every mainstreaming assessment nor to be a how-to-do guide to mainstreaming. This document provides rather an overview of key procedures and required or recommended assessments used in IFAD operations along the project cycle with the aim of identifying opportunities to promote IFAD's mainstreaming commitments and related objectives. It also concerns targeting, given that a number of these mainstreaming commitments are specific to priority target groups.

There is some focus in this guidance note on the early stages of the project cycle, specifically the country strategic opportunity programme (COSOP) and project concept states. This is because the identification of mainstreaming priority areas and poverty targeting challenges and opportunities must be correct at this point and cascades through the rest of the stages of the project cycle. An investment in solid analytical assessments, in particular early in the project, will pay off. Ideally, preliminary analysis will be done even before the next COSOP cycle.

The objective of undertaking of an integrated assessment (or set of assessments) is to reflect the insights derived from it into the COSOP or project theory of change, from which should logically flow the activities to be undertaken, modalities to deliver them, capacities required, partnership necessary/desirable, appropriate indicators, knowledge management. All of these should, in turn, be reflected in the budget and cost tables (COSTAB). The assessment will include a rural-poverty analysis that would indicate who the rural poor are, where they live, why they are poor and which groups are most likely to be left behind. Depending of their resources, constraints, potential and opportunities, different targeting approaches, strategies and measures should be used to reach IFAD's target group to meet their needs in line with the country's priorities and IFAD's comparative advantage. Specific pathways may be needed to reach each target group, depending on their resources, constraints and potential.

Finally, it is important to remind ourselves that the overall objective of IFAD financing is to reduce poverty and vulnerability and to empower smallholders and the rural population through inclusive and sustainable rural transformation. Identifying mainstreaming opportunities and informing country engagement and project design and implementation to take advantage of these is a necessary but not sufficient path towards this larger objective.

PPP. 2. Mainstreaming, targeting and risk assessment and management across the project cycle

This guidance note is organized by project cycle stage. It highlights actions that are potential entry points in terms of mainstreaming for each stage. These actions typically involve some type of assessment. This is summarized in figure 1 below. 'Assessment'' refers to an analytical approach rather than a specific methodology or tool. There are many assessment-related approaches, methods and tools, a sample of which are presented in tables A1 and A2 in annex I. What all of these assessments have in common is the objective of identifying mainstreaming opportunities or at least presenting the potential of being used in this way. In some cases, several methods or tools may need to be used in combination.

The results of these assessments are documented in outputs along the project cycle, in particular the COSOP (and its SECAP annexes), the project concept note (and its SECAP

annex), the project design report (and its SECAP annex), the environmental and social management framework or environmental and social management plan (ESCMP), if necessary; and the project implementation manual (PIM) for start-up, supervision and eventually project completion report. There may be also other documents required, depending on the level of risk.

The risks screening which takes place at the project concept note (PCN) stage (and later validated at the full design stage) may trigger specific assessments (for example, on climate risk or on social-inclusion-related risks). The results of these assessments are documented in specific technical documents (such as a detailed climate vulnerability report with related risk mitigating actions) that become part of the project package and should be useful over the life of the project. These assessments represent an excellent opportunity to advance IFAD's mainstreaming agenda.

Climate change is a good example of where a risk-focused assessment (''do no harm'') can and should be combined with the identification of opportunities to ''do good''; in this case, mainstreaming adaptation to climate change, and how the failure to do so can inadvertently make things worse due to a lack of understanding of the dynamics of the system. Similarly, even where a risk assessment triggers a risk-level-related requirement for a risk mitigation and management plan, the plan should be devised in a way in which mainstreaming opportunities are identified and optimized. This also generally increases the degree of interest of the implementing parties in actually undertaking the specified activities.

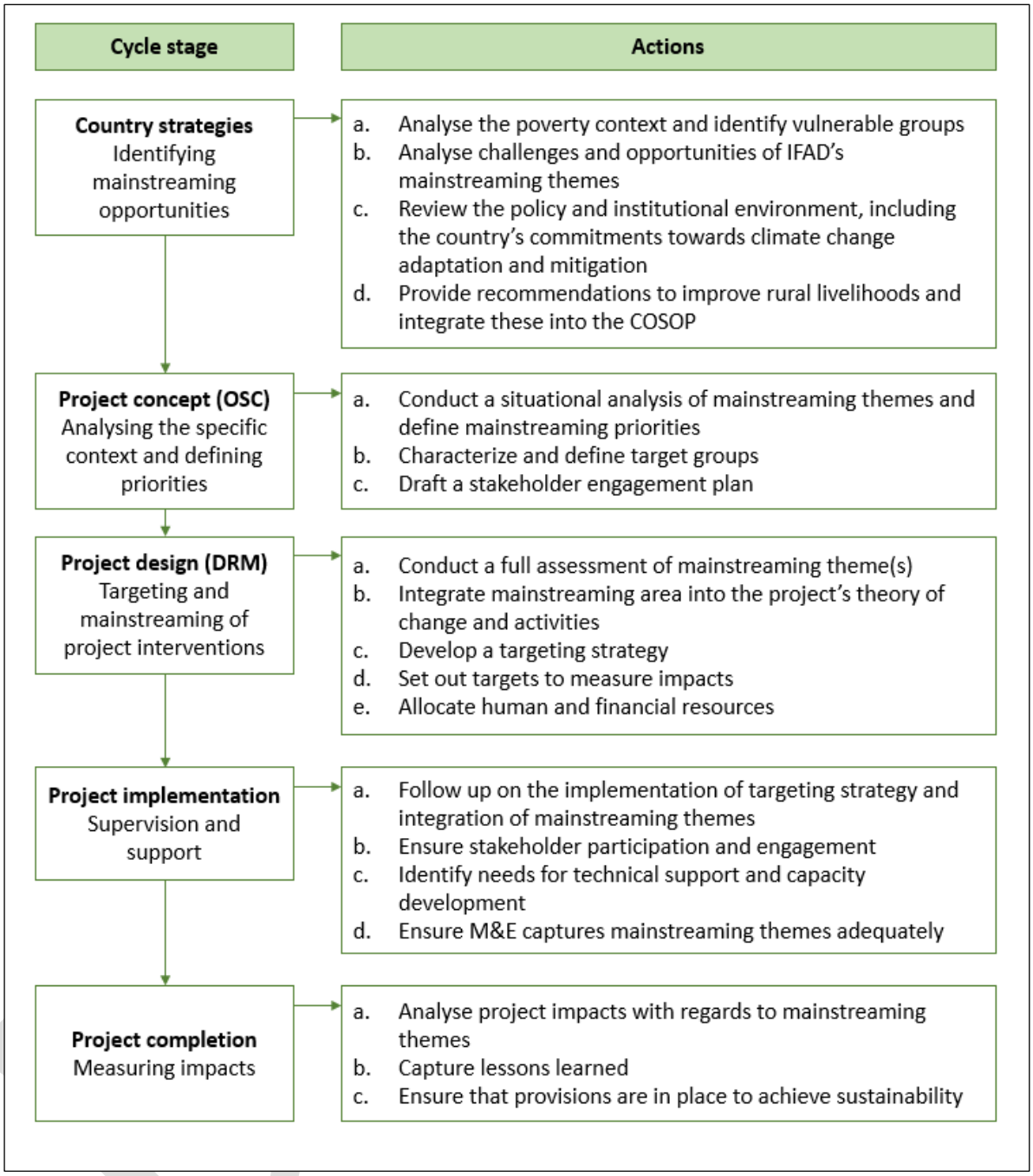
The most basic type of assessment is a situation analysis of each mainstreaming theme in the context of a poverty and vulnerability analysis. This starts at the COSOP stage of the project cycle. (This guidance note points the reader to some recommended sources of information and qualitative or quantitative tools to satisfy the minimum critical requirements for a useful situation analysis.) The situation analysis then needs to become more refined, based on better data but also reflecting a narrowing down of the location and beneficiaries and on informing the types of activities that the IFAD design will engage with.

Applying the templates found in the SECAP Volume III[343], in particular, represents an opportunity for comprehensive but relatively detailed characterization from both a risk management and a mainstreaming point of view. However, the conclusions drawn from these analyses must also be reflected into the main report of the COSOP, PCN and project design report (PDR) in order to ensure that they are put into practice. Figure 1 below highlights the actions for mainstreaming in the project cycle.

[343] IFAD, *Social, Environmental and Climate Assessment Procedures: Volume III* (Rome: IFAD, 2020), [INSERT LINK WHEN AVAILABLE].

Figure 1

Mainstreaming in IFAD operations by project cycle stage



This can also be represented as in figure 2. One example of how this is done in a hypothetical situation is used though the rest of this guidance note to illustrate what this translates to in practice.

Figure 2

Targeting, mainstreaming and risk assessment along the project cycle

		Situational analysis	Mainstreaming assessment and measures	Risk assessment and management
A	Country strategy	Poverty targeting and target group identification	Identifying challenges and opportunities	Country risk characterization
B	Project concept	Defining target groups	Situational analysis	Risk screening
C	Project design	Targeting strategy and refining targeting measures	Mainstreaming pathways and measures	Risk assessment
D	Project implementation	Supervision and monitoring	Supervision and monitoring	Risk supervision, monitoring and management
E	Project completion	Evaluation	Evaluation	Evaluation

IFAD mainstreaming themes have specific definitions, which can be found in table 1.

Table 1

Definition of IFAD mainstreaming themes addressed in this guidance note

Climate sensitive	*Climate finance*
Ensuring that IFAD investment programmes are climate sensitive (or climate mainstreamed) for IFAD means integrating into them consideration of climate-related risks and opportunities by establishing the necessary institutional mind-set, expertise, tools and processes[a]	Projects that include climate finance feature a clear climate rationale based on a robust, location-specific climate vulnerability context and must designate clear budget allocations for adaptation and mitigation, in line with the multilateral development banks' methodologies for tracking climate-change finance
Gender sensitive	*Gender transformative*
Gender-sensitive operations reduce the gaps in development opportunities between women and men, and work towards equality between them become as an integral part of an organization's strategy, policies and operations. At IFAD, gender-sensitive approaches are reflected in the mind-sets of management and staff and in IFAD's values, resource allocations, operational norms and procedures, performance measurement, accountabilities, competencies and learning processes. In IFAD's development activities, gender-sensitive projects assess the implications of any planned action on women and men and ensure that both women's and men's concerns and experiences are taken into account in the design, implementation, monitoring and evaluation of all development activities.	Gender-transformative projects actively seek to transform gender power dynamics by addressing social norms, practices, attitudes, beliefs and value systems that represent structural barriers to women's and girls' inclusion and empowerment. They seek to ensure equal access for women to productive assets and services, employment and market opportunities, as well as supportive national policies and laws.
Nutrition sensitive	*Youth sensitive*
A nutrition-sensitive project addresses the underlying causes of malnutrition related to inadequate household food security, maternal- and child-care and environmental health. It has explicit nutrition objectives, activities (such as empowerment of women; production diversification; production of nutrient-dense crops; improvements in	A youth-sensitive project generates long-term youth employment opportunities and/or entrepreneurship by addressing context-specific challenges and potentials of rural youth. A youth-sensitive project is one that (i) describes youth and its context-based challenges and opportunities in

processing, storage and preservation; and nutrition education) and indicators to monitor and measure results achievement.	the project design analysis; (ii) informs a targeting strategy that explicitly targets youth with concrete objectives and activities to achieve impact in priority areas, expressed as part of the project's theory of change, approach and results framework; and (iii) allocates resources to deliver activities targeting youth.

[a] IFAD, *Climate mainstreaming in IFAD-funded programmes* (EB 2016/118/R.16) (Rome: IFAD, 2016), https://webapps.ifad.org/members/eb/118/docs/EB-2016-118-R-16.pdf.

QQQ. 3. Mainstreaming-, risk- and targeting-related assessments along the project cycle

Country strategy stage: assessments of mainstreaming and targeting opportunities; building the foundation for project designs

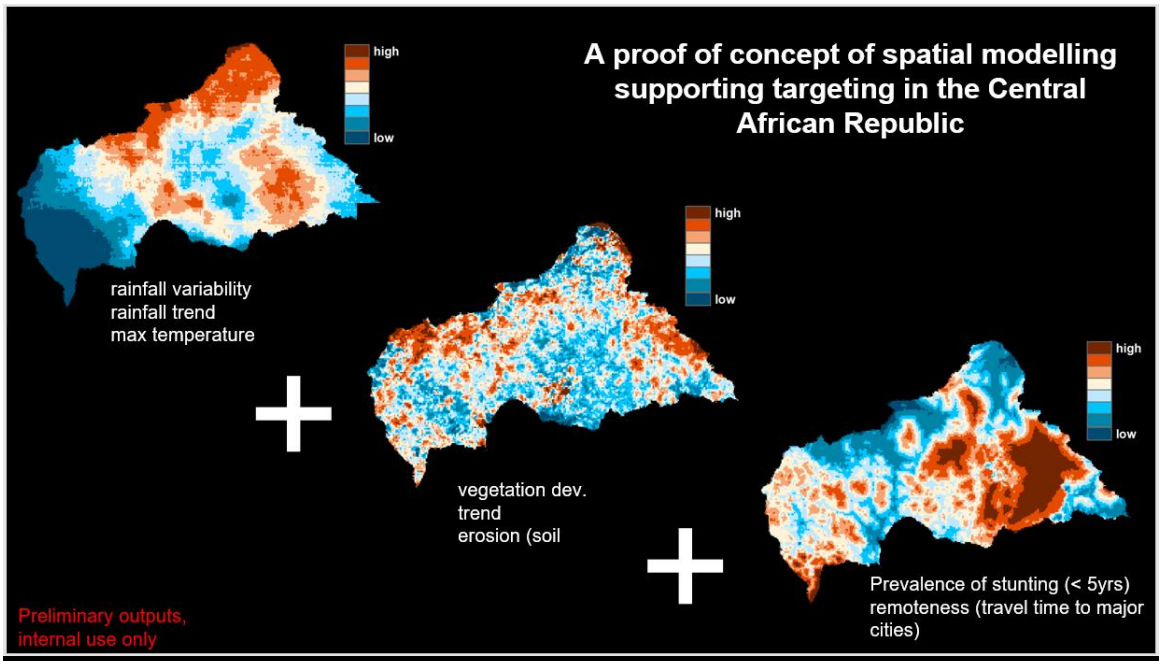
COSOP documents the major themes and modalities of collaboration over a six-year period agreed with a borrowing or recipient Member State. It serves as the context and guiding document for projects that are designed during that period. It presents opportunities to advance IFAD's mainstreaming commitments and targeting priorities. Where there is no need for a full country engagement strategy, a lighter country strategy note (CSN) is developed.

This section aims to provide guidance to CDTs on how to mainstream IFAD's thematic commitments into the formulation of COSOPs (and CSNs). It lays out which assessments need to be undertaken and how/where the results are integrated into the COSOP. The CDT typically carries out the assessments via deskwork and stakeholder consultations. The earlier this is done, the more likely it is that the results will influence the decision represented in the COSOP. While the project stage reveals geographical targeting decisions, initial targeting choices (and criteria for these choices) are established during the COSOP stage. Data to support evidence-based decision-making on geographical and social targeting and to identify mainstreaming opportunities that can be taken advantage of through targeting choices are increasingly available in spatial digital form. This includes maps of the distribution of mainstreaming-related themes across the country (for example where there is high risk of climate impact or land degradation and – depending on data availability – where the greatest chronic food insecurity is or even where the highest proportion of female-headed households is).

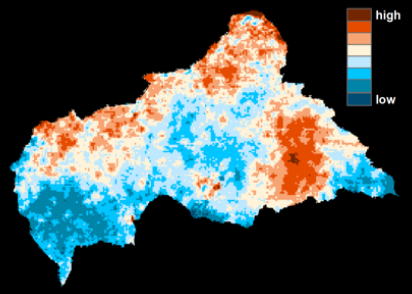
Such information can help the CDT formulate basic hypotheses, at least in terms of how themes related to location (remoteness from markets, exposure to climate risk, etc.) are visually and statistically correlated. An example of modelling of vulnerability using both socio-economic and biophysical criteria is shown in figure 3. Table A2 in annex I lists key spatial datasets available from IFAD on mainstreaming themes for every country. An exercise jointly with the IFAD Information and Communications Division is producing a set of linked geographical and statistical data for a large number of countries which is directly relevant at the COSOP stage.

These data and guidance on their use should be sought through the Environment, Climate, Gender and Social Inclusion Division (ECG) member of the CDT. ECG can also advise the CDT regarding reliable indices and country-level statistical information and analyses on the mainstreaming themes and propose appropriate assessments.

Figure 3:
Vulnerability mapping using multiple mainstreaming themes to inform targeting
Note: proof-of-concept, not used for operations (courtesy IFAD-WFP Climate Partnership)



COUNTRY OVERVIEW



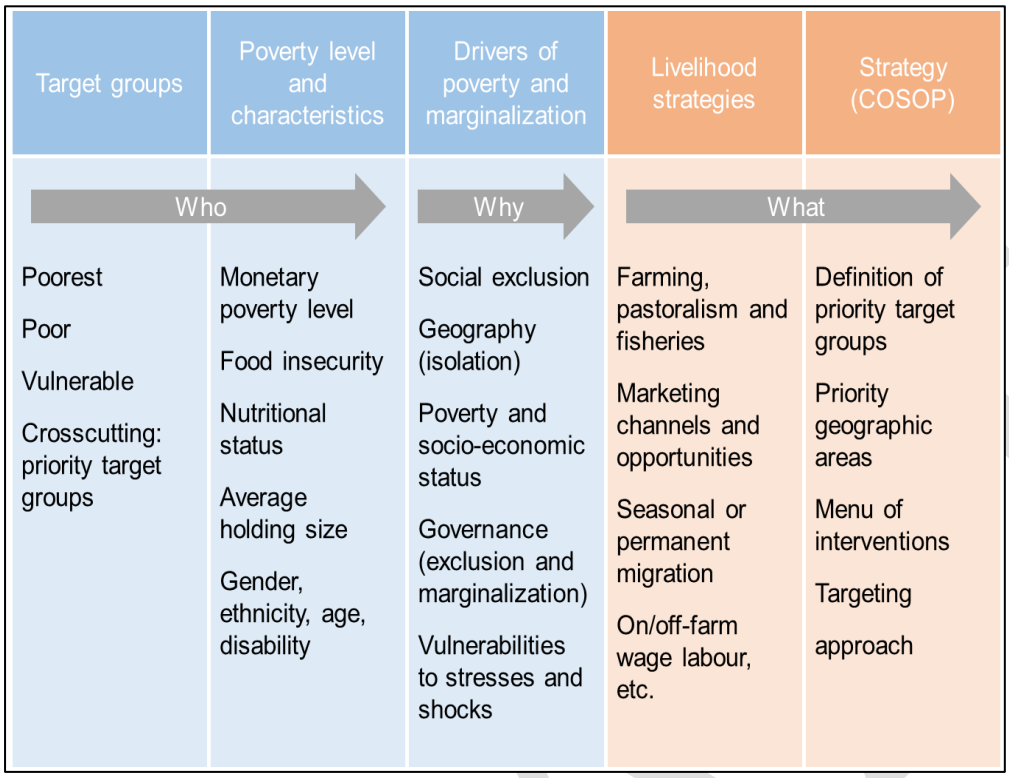
Vulnerability Index Categories	Area (%)	Approx Population (%)	Approx Females	Approx Youth
Low	7.44	22.1% 1084153	547806	223111
Medium - Low	33.9	21.8% 1071428	541376	220493
Medium	31.6	20.6% 1010630	510656	207981
Medium-High	8.82	0.09% 4384	2215	902
High	17.5	20.3% 994736	502625	204710

Assessments on various dimensions can be carried together or sequentially. Figure 4 summarizes assessments related to several key dimensions that must be assessed to properly inform the COSOP strategy. The insights derived from the assessments undertaken should then inform a working country-level theory of change and recommendations on priority target groups and promising pathways/modalities to promote mainstreaming objectives in an integrated way. While focusing here on the value at the COSOP stage, this approach to assessment and analysis is foundational and the logic should be validated and refined at the project design stage.

In short, the key types of assessments are effectively repeated over the stages of the project cycle but at each stage build on the outcomes of the previous stage, with greater focus, better data and more able to inform specific decisions to be made about who, what, where and how. The results of the assessments should be validated and if necessary repeated at project start-up; this would also serve as an important baseline against which to monitor changes to inform adaptive management.

Figure 4.

From assessment to country strategy



The following sections review several key types of assessment that inform the COSOP in terms of identifying and assessing risks, devising risk-management strategies, identifying mainstreaming opportunities and pathways, and identifying whom the project should be focusing on and how to reach them, i.e. targeting.

Assessment of rural poverty and vulnerability

The COSOP should be based on an analysis of both the national poverty and vulnerability situation and opportunities in terms of IFAD's mainstreaming commitments. It should indicate which groups are being targeted and where and the pathways through which each will likely benefit the most and identify who is most likely to be left behind. The outcomes of this analysis will inform – in consultation with the government and stakeholders – which types of project will most likely contribute to achieving the agreed objectives at country level.

The choice of assessments should be made on the basis of which will most efficiently generate a detailed description of IFAD's target group, including the most deprived (as noted in IFAD's Strategic Framework[344]). This will help assess who they are, where they live and why they are poor and in identifying the most promising pathways to support the acquisition of skills and assets and link them to market-based economic opportunities over the period concerned.

Mainstreaming-specific assessments

Within this analytical process there are mainstreaming opportunities in assessing the current situation, devising scenarios and recommending priority pathways, approaches, geographies and categories of activities. Some key considerations are outlined below by mainstreaming theme. More details can be found in various guidance materials (see table A1 in annex I). The annotations of the template of the SECAP annex for the COSOP and PDR also provide specific guidance in terms of what is expected. However, it is critical that the results of the assessments are documented not just in the SECAP annex but also mirrored back into the main body of the COSOP and PDR. Most importantly the implications of these findings will also need to be reflected in the project theory of change, the mainstreaming pathways

[344] IFAD, *IFAD Strategic Framework 2016-2025: Enabling inclusive and sustainable rural transformation* (Rome: IFAD, 2016), https://www.ifad.org/en/strategic-framework.

described, specific budgeted and monitored project actions and that the right capacity is specified in the project management unit (PMU) and/or via design and/or implementation stage partnerships.

(xcvii) Gender equality and women's empowerment

This assessment looks into gender-based constraints and opportunities. It provides an overview of economic empowerment, voice and workload of rural women. Elements in the analysis should include:

- Gendered division of labour;
- Gendered access and control over assets; and
- Gendered decision-making roles in rural households.

More specifically, the assessment should:

- Describe national gender policies, strategies and actors. Conduct socio-economic assessment of gender disparities and analyses of underlying cause of gender inequalities to identify challenges, opportunities and solutions.
- Identify differentiated needs and opportunities between women and men for equality, effectiveness and impact. This may also mean considering the specific needs and challenges of diverse age, ethnic and socio-economic minority groups, i.e. account for intersectionality.
- Develop an outline gender strategy, identifying opportunities for promoting gender equality and women's empowerment through project activities and services and policy engagement within the community and at the regional or national level within the scope of the project.

At a minimum, the project should aim at:

- Expanding women's economic empowerment through access to and control of productive assets and benefits;
- Strengthening women's decision-making roles in the household and community and their representation in the membership and leadership of local organizations; and
- Achieving a reduced workload for women and girls and an equitable workload balance among women, men, girls and boys

(xcviii) Rural youth and rural youth employment

All COSOPs should define youth based on a country's own definition, which may differ from the United Nations definition of youth being people between 15 and 24 years of age. The analysis should provide an overview of the key characteristics of youth based on aspects such as poverty level, gender, age, ethnicity, marital status, educational level, employment status, skills, assets and services they can access. The assessment of opportunities should derive from an understanding of youth-specific constraints and opportunities (box 1).

Box 1. Assessing youth-related mainstreaming opportunities: key questions

- What is the number/percentage of rural youth in the country?
- What are their aspirations?
- What is their employment status in rural areas (unemployment rates; agriculture/off-farm; wage/entrepreneurship; formal/informal)?
- What is the poverty rate of rural young people?
- Do young women have the same opportunities as young men in the country and what are the main opportunities for young women in the country?
- Do rural youth face specific nutrition or food-security-related issues?

- Is there an outmigration trend from rural to urban areas?
- What is their access to assets (physical, natural, financial, social, e.g. belonging to relevant networks and groups such as farmer organizations, cooperatives, civil society organizations)?
- What kind of knowledge/skills do they possess?
- What kind of services can they access, e.g. financial/credit, extension?
- What are the main policy provisions/gaps?
- Are there any potential partners?
- What is IFAD's experience of working with youth in the context/nearby relevant contexts?

(xcix) Nutrition

This assessment analyses the nutrition situation and underlying causes in a country localised context. It features the prevalence of stunting, wasting, overweight and obesity. It analyses the status of household food security, maternal and child care practices, environmental health and access to health services. The assessment investigates pathways to promote diverse, nutritious and safe diets and improve health. Pathways to achieve nutritional outcomes via mainstreaming include:

- Increased availability of diverse, safe and nutritious foods through production;
- Increased availability and accessibility of diverse, safe and nutritious foods in markets;
- Improved nutrition knowledge and practices;
- Empowerment of women and youth (especially adolescent girls);
- Growth and diversification of income;
- Improved environmental health; and
- Policy dialogue and multi-stakeholder coordination on food and nutrition security.

(c) Climate and environment

The analysis provides an overview of the current status of natural resources and the main causes and drivers of environmental challenges. It looks into major land uses, agroecological zones, soil and water resources, biodiversity and challenges such as land degradation or pollution insofar as they have implications for agricultural development opportunities.
This assessment also estimates the climate vulnerability of potential project beneficiaries. This entails their exposure (the degree to which people and the things they value could be exposed to climate variation or change), sensitivity (the degree to which they could be harmed by that exposure) and adaptive capacity (the degree to which they could mitigate the potential for harm by taking action to reduce exposure or sensitivity). The assessment identifies pathways through which the project could protect the environment and increase resilience. For value-chain projects, see IFAD's how-to-do note on climate risk assessment for value-chain projects),[345] which includes a guide to types of activity by scenario.
Pathways include:

- Climate-smart agriculture;
- Climate-proofing infrastructure;
- Provision of agronomically relevant climate information services;
- Sustainable natural resource management (via land-use planning, afforestation, rangeland management, erosion control terracing, etc.);

[345] IFAD, *How to Do: Climate change risk assessments in value chain projects* (Rome: IFAD, 2015), https://www.ifad.org/en/web/knowledge/publication/asset/39181457

- Transition away from polluting herbicides and pesticides; and
- Renewable energy investments that also have employment benefits.

IFAD is committed to supporting implementation of countries' nationally determined contributions (NDCs) under the Paris Agreement to the United Nations Framework Convention on Climate Change. In terms of the institutional dimension of environmental and climate mainstreaming at IFAD, a significant change since the 2017 edition of SECAP[346] which the CDT should be aware of is the requirement in the SECAP annex of the COSOP[347] to specify how IFAD's activities in the country are expected to support the delivery of the country's NDCs.

The CDT therefore needs to review agriculture-related climate-change commitments and priorities, as expressed in NDCs. Other relevant frameworks to include in this assessment are national appropriate mitigation actions and national adaptation plans under the United Nations Framework Convention on Climate Change and strategies/action plans under the United Nations Convention on Biodiversity and the United Nations Convention to Combat Desertification. There is a specific section in the COSOP/SECAP annex for this, but the principles should also be reflected back into the main COSOP document. IFAD support to countries for implementation of their NDCs is an IFAD11 commitment and COSOPs will be reviewed to ensure that they adhere to this commitment.

Review of policy and institutional environments

This review is important to align the COSOP with national strategies and is the basis for the stakeholder engagement plans for projects. It identifies opportunities for the COSOP to contribute to national priorities and finding potential synergies for joint programmes and coordination mechanisms.

A key stakeholder in this is the ministry or body responsible for environmental management, as they will also be responsible for ensuring that the IFAD-financed project conforms to national legislation. A representative of this body should be consulted and ideally included in the project design process from early on. Similarly, where a particular social inclusion issue is identified as a serious risk and/or mainstreaming opportunity, the government and/or non-government party most relevant should be consulted as early as possible with a view to possible collaboration also during implementation. The CDT (and later the PDT) may wish to commission a specific mainstreaming thematic study for an area of great concern or opportunity or develop, for example, a social inclusion strategy with a focus on cross-mainstreaming.

This assessment should provide an overview of:

- The main national policies, strategies and regulatory frameworks relevant to IFAD's mainstreaming themes;
- The country's efforts to reduce national emissions and adapt to the impacts of climate change as stated in their nationally determined contributions (NDCs) to the Paris Agreement;
- The most important institutions (government, private sector, research, development agencies, NGOs, farmer organizations, etc.) that present potential strategic partners; and
- Ongoing programmes of the government and other development partners, including the private sector and civil society.

The review should identify and highlight relevant existing frameworks or action plans to promote social inclusion, youth engagement and gender equality, to engage with indigenous peoples and historically underserved local communities, to promote nutrition security, etc. The mainstreaming content may be found in some cases within policies or strategies on other, larger topics. As much as possible, the review should be limited to those that are relevant to the project context/objective.

[346] IFAD, *Social, Environmental and Climate Assessment Procedures: Managing risks to create opportunities* (Rome: IFAD, 2017), https://www.ifad.org/en/document-detail/asset/39563472.

[347] IFAD, *Operational Procedures and Guidelines for Country Strategies* (Rome: IFAD, 2019), appendix IV: SECAP background study, https://www.ifad.org/en/document-detail/asset/39560257.

The review should also investigate nutrition coordination mechanisms and platforms, indigenous people's institutions, the main types of community-based institutions such as water users' associations or pasture users' unions, and institutions responsible for climate and environmental policies and regulations.

Bringing it all together: Integrating mainstreaming and targeting aspects into the COSOP

Results from the analyses on poverty, mainstreaming and institutional context inform the COSOP formulation process and determine the COSOP's strategic orientation and intervention strategy. Box 2 presents an example of how to do so in the COSOP main report sections on Capacity-building and Strategic Partnerships.

Box 2. An example of how the COSOP main report serves to highlight mainstreaming-related issues

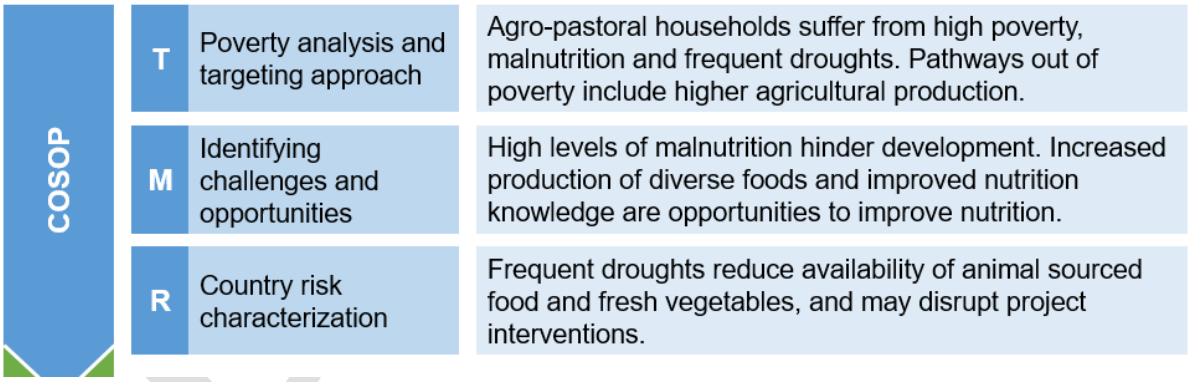
COSOP Sections: (1) Capacity-building; (2) Strategic partnerships

These are important sections within which to identify the challenges of capacity at various levels, for example ministries or other government bodies and non-government partners who will be crucial in either ensuring an enabling policy environment and/or engaging priority target groups and/or for project delivery. This may include, for example, national unions of women, youth or producers. A capacity needs analysis can be detailed in the corresponding section of the SECAP annex highlighting their respective strengths, weaknesses, opportunities and threats. Potential private-sector partners should not be overlooked.

Figure 5 illustrate the outputs of an analysis of targeting (T), mainstreaming (M) and risk assessment at the COSOP stage. The same example will be presented in the corresponding section of this chapter for every stage of the project cycle to illustrate how this may evolve.

Figure 5

Targeting (T), mainstreaming (M) and risk assessment (R) of a hypothetical project situation at COSOP stage



Project concept: early identification of specific mainstreaming, targeting and risk-management opportunities through key assessments

Important decisions that are of relevance to the SECAP are made at the very beginning of project design. Such decisions include the geographic area where project interventions could take place, the thematic focus (e.g. value chain or natural resource management) of the project, the mainstreaming focus and if co-financing is envisioned. The COSOP may already have determined these elements. All is documented in a PCN together with a preliminary project stage SECAP annex.

This section, while focused on the project concept stage and the PCN as an output (and its SECAP annex) is also relevant to the full project design as many of the mainstreaming and

targeting opportunities detailed in the latter will have already been identified in the former and the same assessments may be relevant to both. The main difference is that a much greater level of detail will be required for the PDR and its SECAP annex, including the alignment between activities, capacities and financial resources. This dimension of how is then further detailed with the PMU as the principle audience in the PIM

An important change to note at the PCN stage compared with the 2017 SECAP is that the specific mainstreaming themes that are proposed for the eventual project to focus on must be selected at the PCN stage and these choices are explicit in the current PCN template. This preliminary selection, based on the information available at the time, will be validated by the Operational Policy and Results Division (OPR) against specific criteria at the full project design stage.

It can be useful to be aware of the mainstreaming criteria to be used for the validation assessment in order to determine whether these criteria are likely to be satisfied; if they are not, changes can be made early in the design process, other themes may be selected or the level of ambition reduced. For example, while PDTs should aspire to gender-transformational designs, this is not always possible, in which case it will still be expected that they at least promote specific opportunities for female beneficiaries.

The following considerations should be taken into account in developing the PCN and in identifying suitable assessments to inform both the PCN main report and its SECAP annex.

(ci) Situational analysis of poverty and mainstreaming themes

This assessment(s) is based on the descriptive and analytical work already done at the COSOP stage but extends them if they do not cover the project's scope or depth adequately. It should include the following elements:

- **Overall poverty situation:** Summarize the socio-economic and nutrition context in the project area and how the project might affect it. Identify the main livelihood strategies, describe food and nutrition security issues and identify target groups. Analyse how the project might affect each target group.
- **Social mainstreaming themes**:
  - **Gender:** Describe national policies, strategies and actors addressing gender. Identify the different roles, interests and priorities of women and men and the underlying structures and norms of exclusion and discrimination. Identify the most important livelihood problems faced by the community, as seen by women and men. Identify the main livelihood opportunities and priorities, as seen by women and men.
  - **Youth:** Describe the key characteristics of youth based on aspects such as general population statistics (percentage of rural young people in the country/project areas), poverty level, gender, age, ethnicity, marital status, educational level, employment status, skills, assets and services they can access and the implication of these characteristics for the main challenges and opportunities that youth are facing in rural areas.
  - **Indigenous peoples and historically underserved local communities:** Map out if and how indigenous peoples and historically underserved local communities are in the project area. Describe their social, cultural and land and territories governance systems and the main problems they are facing. Identify any risk that the proposed development initiative(s) can bring about to their land, territories, resources and livelihoods. Assess whether government policies or lack thereof affect their livelihood opportunities. See IFAD's FPIC guidance[348] determine requirements for stakeholder engagement.
- **Nutrition:** Summarize the nutritional status of the target population (prevalence of stunting, wasting, undernourishment, overweight and obesity). This should be disaggregated by age, gender, and indigenous peoples and historically underserved

[348] IFAD, *How to Do: Seeking Free, Prior and Informed Consent* (Rome: IFAD, 2015), https://www.ifad.org/en/web/knowledge/publication/asset/39181253

local communities as relevant. Identify nutrition gaps and analyse underlying causes of malnutrition, related to food security, maternal and child care, environmental health and access to health services.

- **Climate and environment**: Describe the major environmental challenges in the project area and identify good practices for sustainable environmental management. Summarize the observed and projected trends of climate change, as well as the major climatic hazards the agricultural sector is facing and how it is and will be affected. See resources such as IFAD's Adaptation Framework, which help identify the best technical options for a given scenario.

Table A1 in annex I lists assessment tools that the PDT can use to generate these analyses.

(cii) Cross-mainstreaming

In practice a PDT will have multiple mainstreaming objectives; indeed, this is an IFAD requirement. Many assessment tools or guidance materials, however, are focused on only one theme. PDTs should start with IFAD's Framework for Implementing Transformational Approaches to Mainstreaming Themes[349].

(ciii) Characterizing and defining target groups

A project defines the most important target groups it will support. The groups should be characterized, e.g. if they are nutrition insecure, face climate hazards such as drought, experience gender inequalities and/or belong to a tribal group. List their needs and how the project impacts them. Depending on the context, these groups should include:

- The poorest, the poor and the vulnerable, on a disaggregated basis;
- Specific vulnerable groups, cutting across the typologies of rural poor, identified on the basis of a combination of poverty and socio-economic and cultural characteristics, with a special focus on inequalities based on sex, age, ethnicity and disability; and
- People living in fragile contexts (e.g. refugees, pastoralists, etc.).

(civ) Selecting mainstreaming priorities

The design team at this point should articulate the priority mainstreaming themes. This should be decided at an early stage to plan for and ensure that the design team has the necessary domain-specific expertise. Box 3 proposes key criteria against which the selection of mainstreaming themes for the project should be assessed.

Box 3. Selecting mainstreaming themes for a project concept

Climate change

A project with climate-focused finance* should be envisioned when at least two of the following criteria are met:

- Climate risk is a major challenge in the project area under consideration (exposure);
- It is judged to be realistic that project action could significantly improve the adaptive capacity of the target beneficiaries (reduce their sensitivity);
- Together resulting in a reduction in vulnerability;
- All of which can be reflected in the project theory of change, activities, indicators and capacities provided;
- And/or when there is significant project co-financing from climate specific sources.
- Note: The project team would need to apply the multilateral development bank methodology to ensure that the contribution of the project finance counts towards IFAD's climate-related

[349] IFAD, *Framework for Implementing Transformational Approaches to Mainstreaming Themes: Environment and Climate, Gender, Nutrition and Youth* (Rome: IFAD, 2019), https://webapps.ifad.org/members/eb/128/docs/EB-2019-128-R-6.pdf

commitments. Attention is required to both the narrative but also the budget as reflected in the COSTAB and the relationship between the two

Gender

Gender-transformative projects should be envisioned when at least two of the following are found in the project context:

- Gender equality and women's empowerment are national priorities, as demonstrated by national and sectoral gender policies or strategies;
- Women's economic empowerment opportunities exist;
- Gender inequalities in agriculture persist;
- Structural and cultural norms promote gender inequality (list criteria);; and
- There is evidence of success in the country with activities promoting women's empowerment.

Youth

Projects should prioritize youth engagement when at least one of the following criteria are met:

- Rural youth is a national policy/ programming priority;
- Rural youth represent a significant proportion of the population, e.g. 30 per cent or more;
- High poverty and unemployment rates among rural youth; and
- The country programme manager and team/government judge that youth engagement is critical for achieving IFAD's strategic objectives in the Strategic Framework 2016-2025.

Nutrition

Nutrition-sensitive projects should be envisioned when:

- Under-five stunting is medium to high prevalence (low: 2.5– < 10%, Medium: 10– < 20%);
- Under-five overweight is medium to high prevalence (low: 2.5– < 5%, Medium: 5–<15%);*
- Adult body mass index is medium or higher (low: 5–9% – monitoring required; medium: 10–19% – poor situation; high: 20–39% – serious situation; very high: >= 40% – critical situation).**

* Source: UNICEF/WHO: New Prevalence thresholds for wasting, overweight and stunting, 2018/ WHO / World Bank Group Joint Child Malnutrition Estimates 2018

** WHO has not yet defined the threshold for adult overweight and obesity. Until the threshold is available, it is suggested that the same principle as in children is used, i.e. use similar cut-off points as underweight but for the proportion that are over standard

(cv) Mainstreaming climate risk management: co-financing

Projects that expect to be co-financed by climate funds such as the Green Climate Fund (GCF) or Adaptation Fund must allow for the specificities of the fund in terms of argumentation and information requirements and undertake suitable assessments to generate the required information. Furthermore, they may need adjust their planning in order to cater for the procedures and requirements of the funds. This may have a financial implication and require additional, highly specialized expertise on the design team. However, it is equally important that the results of any specialized analyses and the climate-centric perspective required in the case of projects with significant climate finance should be reflected into the entire project and not done just for the purpose of accessing co-financing. The review process by the co-funder will be rigorous and will seek to distinguish between projects that are business-as-usual with some climate language and those projects where the projected climate impacts and how these are being addressed are central to the project. This is a good example of where a risk/vulnerability lens opens doors to mainstreaming opportunities including via additional financial resources, which in turn can bring specialized technical capacity into both the design and implementation. It is important to note, however,

that the additional costs of specialized expertise on design teams and any associated assessments will need to be factored into the design budget as these are typically not provided up front by the prospective co-financier.
For the GCF in particular, the depth of the analysis required is significantly greater than that required in IFAD's project stage document and SECAP annex. The requirements include a clear and, where possible, quantified distinction between business-as-usual and the adaptation or mitigation benefits specifically generated by the project. Safeguard requirements may also be more stringent or specific. IFAD's Adaptation Framework (listed in Table A1 in annex I) provides an analytical approach towards designing adaptation interventions. Further guidance can be sought from ECG.

(cvi) Core mainstreaming indicators

IFAD projects should use core indicators for the objectives selected by the PDT. Table 4 shows current indicative core output- and outcome-related indicators for mainstreaming themes. It is important to be realistic about the M&E requirements and capacity of the project and to budget for, and if necessary provide, additional support in terms of M&E capacity. This is a recurring issue in projects and should not be underestimated as it is foundational. As both risk assessment and monitoring and targeting – including several target-group-specific mainstreaming commitments – are becoming increasingly demanding, it is imperative to budget properly for capacity in these areas. Development actors are increasingly using powerful new – albeit technically demanding – tools that integrate climate/environment and socio-economic assessments to inform geographical targeting. IFAD is also developing a set of use cases and internal capacity.

Table 4

Mainstreaming themes and core indicator requirements

Mainstreaming themes and corporate commitments		*Related indicators*	*Use and requirements*
Climate finance	**Adaptation**	**Outputs** CI 1.1.1: Number of persons whose ownership or user rights over natural resources have been registered in national cadastres and/or geographic information management systems CI 3.1.1: Number of groups supported to sustainably manage natural resources and climate-related risk CI 3.1.2: Number of persons provided with climate information services CI 3.1.4: Number of hectares of land brought under climate-resilient management **Outcomes** CI 3.2.2: (Number) Percentage of persons/households reporting adoption of environmentally sustainable and climate-resilient technologies and practices CI 3.2.3: (Number) Percentage of persons/households reporting a significant reduction in the time spent collecting water or fuel	At least one of the following CI The higher the adaptation finance share, the more intervention-appropriate indicators
	Mitigation	**Outcome** CI 3.2.1: Number of persons accessing technologies that sequester carbon or reduce greenhouse gas emissions **Output** CI 3.1.3: Number of persons accessing technologies that sequester carbon or reduce greenhouse gas emissions	Mandatory If Appropriate
Gender transformative		**Outreach**: disaggregated by sex **Outcome** CI 4.2.3: Percentage of individuals demonstrating an improvement in empowerment	Mandatory Mandatory
Nutrition sensitive		**Output** CI 1.1.8: Persons provided with targeted support to improve their nutrition **Outcome**	Mandatory Mandatory

	CI 1.2.8: Percentage of women reporting minimum dietary diversity (MDDW*) CI 1.2.9: Percentage of households with improved nutrition knowledge attitudes and practices (KAP)	At least 1 Outcome CI mandatory
Youth sensitive	**Outreach**: disaggregated by sex and youth	Mandatory
Stakeholder feedback	**Outcome** CI 4.2.1: (Number) Percentage of households satisfied with project-supported services CI 4.2.2: (Number) Percentage of households reporting they can influence decision-making of local authorities and project-supported service providers	Mandatory in projects log frames approved from December 2020 onwards

* MDDW = minimum dietary diversity for women, a measure diet quality.

(cvii) Stakeholder engagement

A critical cross-cutting consideration is the need during the design stage for genuinely participatory consultations with key stakeholders, and field visits are essential to ensure quality and ownership. Typically, insufficient time is allowed for this, with consultation mainly being with the borrower and/or implementing partners. However, techniques are available in the tool kit of rapid but participatory rural appraisal to identify risks and mainstreaming opportunities, in particular for groups that have less voice and visibility. The PDT should have relevant expertise and/or a preliminary analysis should be carried out to inform the design team, which can then be validated during the design. Participatory mapping is another suite of tools that can be used to generate powerful insights, in particular with less literate populations and generally with land users. It is especially useful where there are resource tenure and/or upstream-downstream tensions that might inadvertently be exacerbated by the project.

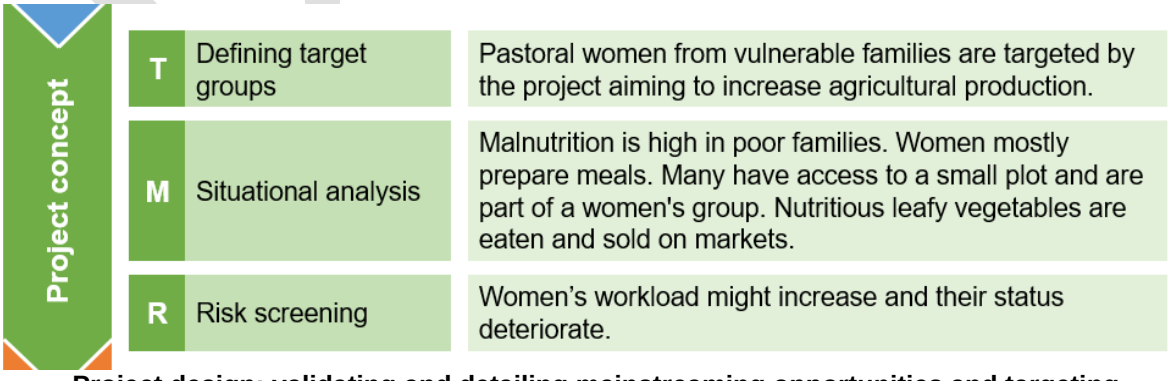
Major stakeholders should have been identified in the COSOP. A preliminary stakeholder engagement plan has to be developed and submitted at project concept stage (OSC). This plan includes a list of stakeholders, an analysis of their interests and influence, and a plan for when and how to engage with them. The plan should be drafted early in the design and updated (e.g. to include the grievance redress mechanism) in the course of the project cycle.

(cviii) Bringing it all together: Risk screening, mainstreaming assessment and targeting at the design phase

Revisiting the hypothetical example introduced in the section on the COSOP stage (see figure 5), figure 6 shows the same project described in terms of targeting, mainstreaming and risk dimensions at the PCN stage.

Figure 6

Targeting (T), mainstreaming (M) and risk assessment (R) of a hypothetical project situation at the project concept note phase



Project design: validating and detailing mainstreaming opportunities and targeting choices

By this stage, the key decisions will have been made for the project, including the target groups and the mainstreaming themes. However, these now need to be fleshed out in greater detail. This section – mirroring key topics in the PDR and SECAP annex – highlights key information requirements at this stage from a mainstreaming point of view and provides guidance on how they should be addressed.

(cix) Pathways out of poverty

The theory of change is the project's approach to achieving its objective of improving rural livelihoods. It lays out what the project aims to achieve (pathways out of poverty), who it aims to support (targeting strategy) and how it will be done (implementation strategy). Project components and activities lay out what the project will do to achieve its objective. The theory of change should explain what the development problem is and justify the main approaches to tackling the problem. It should feature statements of intent to address environment, climate, nutrition and social vulnerability:

- **Gender.** Address all three gender policy objectives: (i) economic empowerment; (ii) equal voice; and (iii) balanced workloads. In the case of a project designated as gender transformative, the PDT will need to showcase gender-transformative pathways. Plan for policy engagement on gender equality and women's empowerment. Note interactions between gender and other mainstreaming themes, for example, women's specific vulnerability in terms of climate change and propose solutions.
- **Nutrition**. Identify nutrition pathways (e.g. diversification of agricultural production and promotion of nutrient-rich varieties; income-generating activities; nutrition education and social behaviour change communication; water, sanitation and hygiene; engagement in multisectoral platforms). Present the causal linkage between problems identified, desired outcomes and expected nutrition impacts.
- **Youth**. Showcase pathways to youth socio-economic empowerment. Include youth employment among the project objectives and activities (e.g. access to assets, skills and services for employment opportunities).
- **Climate**. Include a statement of intent to address specific climate vulnerabilities. The PDT will need to demonstrate a clear and direct link between climate vulnerability and project activities. See resources such as IFAD's Adaptation Framework and Tools, which together help identify the best technical options for a given scenario.

(cx) Targeting strategy

This strategy is an integral part of the theory of change. Several of the mainstreaming commitments are explicitly related to target groups (e.g. women, youth). The strategy defines the main target groups and describes their main characteristics, poverty level, coping mechanisms and needs and how the project responds to those needs. The strategy lays out mechanisms to enable the intended target group to participate in and benefit from the project.

A mix of targeting approaches, strategies and thematic investments should be used in line with the country's priorities and IFAD's comparative advantage to meet the needs of IFAD's target group. Given the heterogeneity of the rural poor and the diversity of country contexts and priorities, the COSOP's theory of change, articulated in its results management framework, should clearly describe the plans for outreach to different target groups and explain how the poorest would benefit from including relatively better-off groups in a project. Targeting also involves setting targets and indicators and allocating sufficient funding and human resources in order for the project to execute its activities with regards to IFAD's mainstreaming themes. This includes specialist terms of reference and capacity-building of project staff.

(cxi) Logframe indicators

The logical framework is an analytical tool used to plan, monitor and evaluate projects. Key target indicators are disaggregated by gender, age and indigenous peoples and historically

underserved local communities. Adequate funding is needed to deliver theme-specific project activities. Delivery agents have staff with specific terms of reference. Core indicators derived from IFAD11 strategic objectives and thematic action plans related to the mainstreaming themes are summarized in table 5 below. Note that these will be validated during design and then monitored during project implementation.

(cxii) Carbon calculation

Project teams should anticipate that projects will increasingly be expected to estimate their carbon-balance change (net positive or negative and by how much) at design and, ideally, at project completion. The recommended tool is EX-ACT,[350] developed by the Food and Agriculture Organization of the United Nations, which has been run on numerous IFAD projects. The tool does require some technical expertise and it is recommended to discuss this with the ECG member of the PDT. There may be a financial implication. One advantage for the project is the possibility of attractive climate-related co-finance. Fairly detailed information about the actual project intervention locations and current land use is required to generate accurate estimates, so in some cases it makes more sense to run this assessment at project start-up. This would also represent a learning opportunity for the PMU and partners.

(cxiii) Climate finance

OPR measures the amount of finance that will be spent on climate-focused activities for those projects that opt to contribute to IFAD's climate finance commitment. The calculation is done utilizing the Multilateral Development Bank (MDB) Methodology for Tracking Climate Change Adaptation Finance and the MDB Methodology for Tracking Climate Change Mitigation Finance. Climate finance will be calculated based on the relevant component-, subcomponent- or activity-level budgets.

(cxiv) Validation of mainstreaming choices

Figure A1 in annex I shows the process by which IFAD validates the mainstreaming choices of the PDT (the mainstreaming commitments to which the PDT aspires for the project and formally selects at the PCN stage).. Table 5 shows the results of a validation against key criteria of a hypothetical project (showing only the validation of nutritional mainstreaming).

Table 5

Sample validation of a project design against nutrition mainstreaming criteria

Situation analysis	*Integration in theory of change*	*Mandatory logframe indicators*	*Human and financial resources*	*Validation assessment*
Nutrition analysis could be strengthened (who is most vulnerable; basic and underlying causes; food consumption patterns/dietary problems; main stakeholders; main strategies/policies) 2014 WHO data are used. More recent data can be found in the 2020 Global Nutrition Report.*	The causal linkage between problems identified, desired outcomes and expected nutrition impacts are not made explicit.	Mandatory nutrition CI not included in logframe (output and outcome). Given the severity of malnutrition situation, outreach of nutrition-related activities should be much higher.	Implementation arrangements could be made clearer (not clear if Ministry of Agriculture has the capacity to implement nutrition-related activities). No detailed budget tables to ensure specific financial resources for nutrition are included. Dedicated social inclusion officer.	This project has the intention to be nutrition sensitive but currently needs to be strengthened against several key criteria.

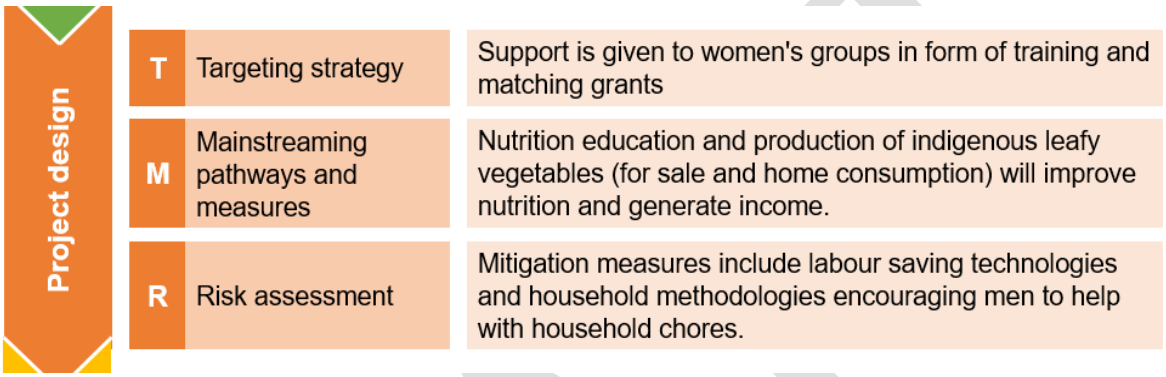
[350] Food and Agriculture Organization of the United Nations, "EX-Ante Carbon balance Tool (EX-ACT)," FAO, http://www.fao.org/tc/exact/ex-act-home/en/.

* Global Nutrition Report, "2020 Global Nutrition Report," https://globalnutritionreport.org/reports/2020-global-nutrition-report/.

Continuing with the hypothetical project introduced at COSOP and then developed at PCN stage, table 7 presents the characterization in terms of targeting, mainstreaming and risk during the full project design.

Figure 7

Targeting (T), mainstreaming (M) and risk assessment (R) of a hypothetical project situation at the full project design phase



Project implementation

Mainstreaming assessment and targeting tools are also useful at project start-up as they are now applied with the actual project implementers and actual project beneficiaries. Participatory mapping with stakeholders using a geographic information system, development of environmental and social monitoring systems, and validation of target group characteristics, numbers and locations are all relevant assessment-related tools at the implementation stage. This also lays the foundation for M&E; for example, an environmental information monitoring system or multidimensional poverty monitoring can be built on a baseline established at project start-up.

Useful resources include the IFAD how-to-do note on poverty targeting, gender equality and empowerment during project implementation[351] and the targeting toolkit (forthcoming).

Note that during implementation the supervision template includes a mandatory entry on SECAP-related actions. These are increasingly being monitored by way of IFAD's corporate enterprise risk-management system. While originally intended to ensure monitoring of risk mitigation actions by the project, this section can also be used to highlight whether mainstreaming-related intentions described in the project document are actually being put into practice. Elsewhere in the supervision template there are multiple sections where targeting and mainstreaming-related themes are addressed. For more information on this topic, see IFAD's *Performance Evaluation guidelines*.

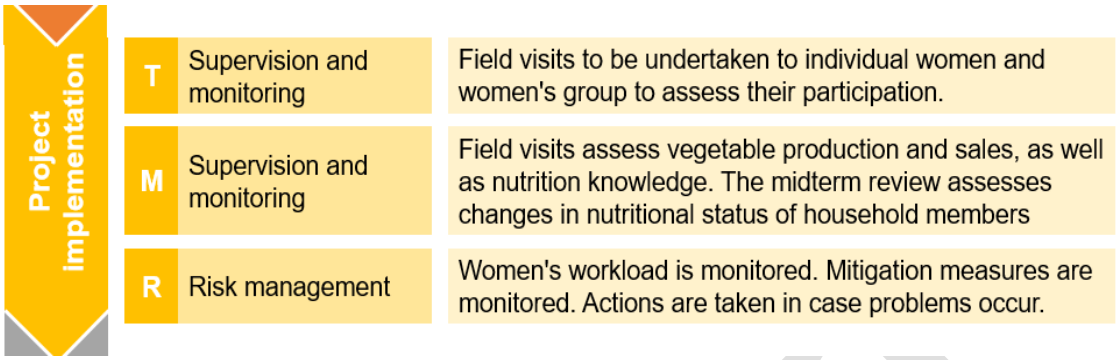
The SECAP metric used in the supervision template involves assessing if required plans are in place, their quality, how well they are being implemented (including integrated in the annual workplan and budget, PIM and procurement and monitoring plans) and being adapted to new needs and local conditions, and the extent to which SECAP has contributed to the management of environmental, social and climate risks. The most common issue reported in projects rated moderately unsatisfactory for this indicator is the delay in preparing ESCMPs.

Figure 8 presents the targeting, mainstreaming and risk assessment for the hypothetical project during project implementation.

[351] IFAD, *How to Do: Poverty Targeting, Gender Equality and Empowerment during Project Implementation* (Rome: IFAD, 2017), https://www.ifad.org/en/web/knowledge/publication/asset/39597663.

Figure 8

Targeting (T), mainstreaming (M) and risk assessment (R) of a hypothetical project situation during project implementation



Project completion

When a project is completed at the end of the loan disbursement period, IFAD and the borrower government document the results achieved, the problems encountered, the lessons learned, and the knowledge gained from project implementation. The completion report captures this and should specifically answer if the project has successfully addressed and implemented mainstreaming issues. Co-financiers and other stakeholders should have the possibility to provide inputs to the report.

Figure 9 shows the findings of the hypothetical project that now has been completed. Figure 10 summarizes the whole project cycle, showing the evolution over the different stages.

Figure 9

Targeting (T), mainstreaming (M) and risk assessment (R) of a hypothetical project on completion

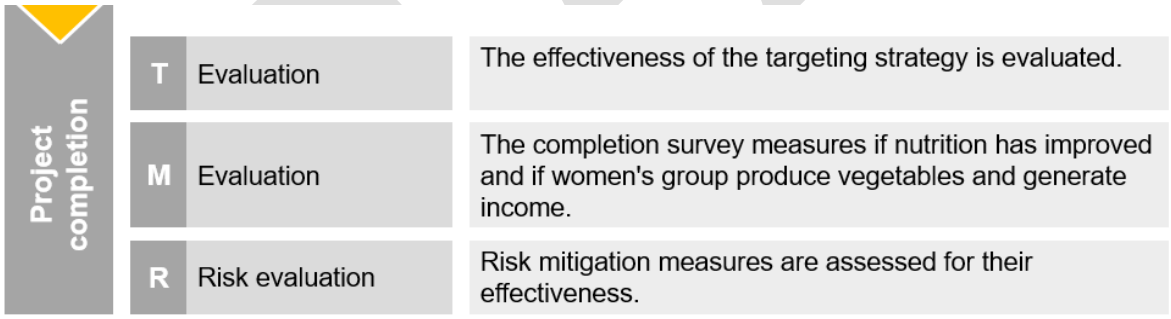
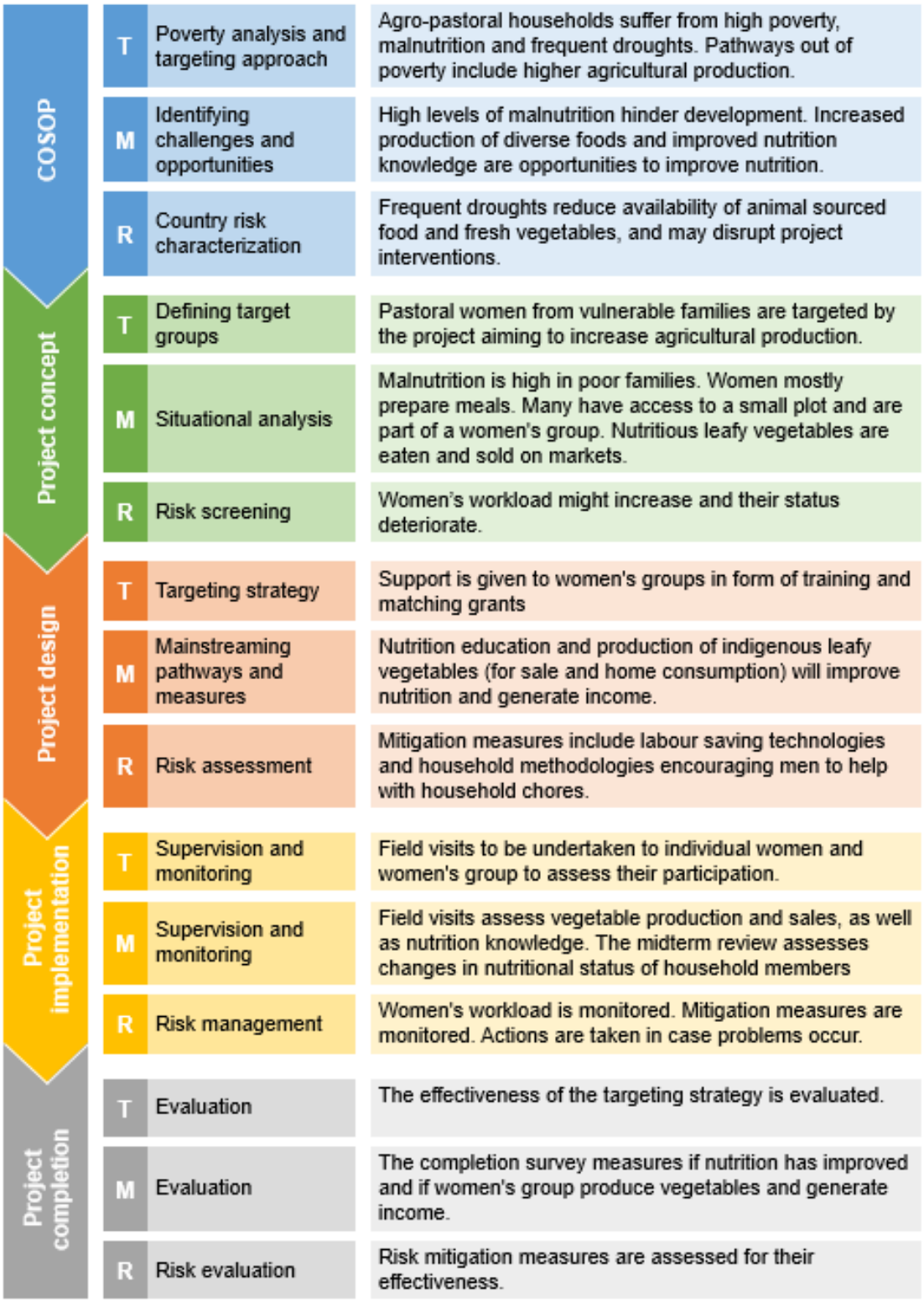


Figure 10

Targeting (T), mainstreaming (M) and risk assessment (R) of a hypothetical project throughout the project cycle



RRR. Annex I. SECAP mainstreaming material

Table A1

Recommended targeting- and mainstreaming-related assessment or guidance tools

Note the most recent version of this table, with links to access each resource, can be found at: http://bit.ly/ifadsecap

Resource	*Type*	*Description*	*Relevant for*
Targeting and mainstreaming			
IFAD targeting policy: Reaching the rural poor	Policy	This policy provides a definition of IFAD's target group and outlines the general principles that will guide IFAD in identifying and reaching the target group, and the methods and means that it will use to this end.	COSOP design
Framework for Implementing Transformational Approaches to Mainstreaming Themes: Environment and Climate, Gender, Nutrition and Youth	Framework	This framework lays out the approach to mainstream the four thematic areas of environment and climate, gender, nutrition and youth into IFAD operations.	COSOP design
Guidelines for Social Inclusion Themes Mainstreaming	Guideline	This note provides definitions for IFAD's mainstreaming themes and lists social-inclusion-theme criteria that projects must fulfil in order to be classified as such.	Project design
Poverty Targeting, Gender Equality and Empowerment	How-to-do-it note	This toolkit explains how to identify and address the diverse needs, constraints and opportunities of poor rural people through IFAD-supported projects and policy engagement.	Project design
Revised Operational Guidelines on Targeting	Guideline	The guideline lays out steps for the analysis and prioritization of target groups and a targeting strategy, both for COSOPs and for projects.	COSOP and project design
Targeting Toolkit	Guidelines & checklists	This toolkit operationalizes the revised guidelines. It provides the minimum requirements for a targeting strategy and for poverty targeting at each step of the programme cycle. It guides targeting during design, assesses targeting during implementation and includes checklists to ease the implementation of the minimum requirements.	COSOP design; project design and implementation
Climate change			
Incorporating the Nationally Determined Contributions	Guideline	This guidance note provides recommendations on how best to integrate a country's commitments on climate-change	COSOP design

Resource	*Type*	*Description*	*Relevant for*
(NDCs) into IFAD Country Strategies		adaptation into IFAD country strategies.	
Climate Adaptation in Rural Development Assessment Tool (CARD)	Tool	This assessment tool supports exploration of the effects of climate change on the yield of major crops. It facilitates the quantitative integration of climate-related risks in agricultural and rural-development investments and strategies, including economic and financial analyses.	Project design
EX-Ante Carbon-balance Tool (EX-ACT)	Tool	This tool by the Food and Agriculture Organization of the United Nations helps project developers calculate the carbon balance of agricultural projects.	Project design
IFAD Climate Finance Tracking Guidelines	Guideline	These guidelines present IFAD's approach to measuring climate-focused finance in its operations. IFAD uses the Multilateral Development Bank (MDB) Methodology for Tracking Climate Change Adaptation Finance and the MDB Methodology for Tracking Climate Change Mitigation Finance.	Project design
Adaptation Framework	Tool	This set of manuals supports the analysis of climate change risk and the selection of adaptation measures at project design. Thematic briefs are available for irrigated and rain-fed crops, pasture restoration, fisheries and livestock.	Project design
Gender			
Mainstreaming Gender-Transformative Approaches at IFAD – Action Plan 2019-2025	Action plan	This action plan illustrates the mutually reinforcing pathways and activities of IFAD operations to sustainably reduce inequalities between women and men in rural areas.	COSOP design
Household Methodologies: Harnessing the family's potential for change	How-to-do-it note	This note provides a step-by-step guide on how to design and implement household methodologies. It describes activities at household level, different approaches for implementation, requirements for service providers and	Project design

Resource	*Type*	*Description*	*Relevant for*
		facilitators, and the role of different actors during the process.	
Using Gender Action Learning System in IFAD operations	How-to-do-it note	This practical guide showcases how to apply the Gender Action and Learning System, a community-led household methodology that aims to give women and men more control over their personal, household, community and organisational development.	Project design and implementation
Measuring Women's Empowerment in Agriculture: A streamlined approach	Paper	This paper presents a simplified version of the Women's Empowerment in Agriculture Index, a tool to measure the empowerment and inclusion of women in the agriculture sector.	Project design and implementation
Indigenous peoples and historically underserved local communities			
How to Do: Seeking free, prior and informed consent	How-to-do-it note	This practical guide lays out steps for how project teams can facilitate the process of obtaining free, prior and informed consent, an operational principle empowering local communities to give or withhold their consent to proposed investment and development programmes that may affect their rights, access to lands, territories and resources, and livelihoods.	Project design and implementation
Nutrition			
IFAD Action Plan Nutrition 2019-2025	Action plan	This action plan sets out the framework to guide IFAD's actions to accelerate mainstreaming of nutrition into its investments.	COSOP design
How to Do: Mainstreaming nutrition in COSOPs and investment projects	How-to-do-it note	This manual is a practical step-by-step operational guidance on mainstreaming nutrition in IFAD-supported country strategies and investment projects for use by IFAD staff, consultants and partners. It offers a set of resources, tools and methods and includes references to key sources of data.	COSOP and project design
Nutrition-sensitive Value Chains: A	Guideline	This guide for project designers lays out practical steps for how	Project design

Resource	*Type*	*Description*	*Relevant for*
guide for project design		to make value chains nutrition sensitive.	
How to Do: Integrated homestead food production	How-to-do-it note	This manual provides operational guidance on how to design and implement projects that incorporate integrated homestead food production.	Project design
Youth			
IFAD Rural Youth Action Plan 2019-2021	Action plan	This plan sets out the framework for and guides youth-sensitive agriculture and rural-development investments at IFAD.	COSOP design
Mainstreaming Youth in IFAD Operations: A practitioner's guide	Guideline	This practitioner's guide provides steps on how to incorporate youth considerations into the development of IFAD country strategies and projects.	COSOP and project design

COSOP = country strategic opportunity programme.

Table A2

Recommended targeting- and mainstreaming-related spatial datasets and associated statistical information.

Note: The full database of 200 data layers can be accessed at: http://bit.ly/secapdata

SECAP theme	*Information output*	*Functionality/model/ automation*	*Information layers or Information*
Socio-economic situation and main challenges/Poverty and social indicators targeting by geographical area	A poverty hotspot map and index (multidimensional approach integrating dimensions of food security, education and health and accessibility).	Model. Parameters selected and weighted by the user. Model and script to be linked to future application. Key thematic maps made available by GeoScan.	Key layers: Prevalence of all forms of malnutrition, Mortality rate per 1,000 children under 5 (Health), maternal nutrition status, food security status, status of children 0-6 months being exclusively breastfed, Water Sanitation and Hygiene, etc.
Socio-economic situation and main challenges/Poverty by target group gender and youth	What target groups (in numbers) are considered impoverished by a given geographical area, i.e. agroecological zone, land use, province and district.	Model, script to be linked to future application and GeoScan.	Females, youth (15-24)
Socio-economic situation and main challenges/Poverty and social indicators	Country statistics of key mainstreaming themes and those parameters that highlight or contribute to the overall situation of poverty in the country. Key central databases, e.g. WB, UNEP, UNDP	API to be linked to future application.	Examples of key country stats: • Annual % GDP growth • Estimated rural population • HIV prevalence • UNDP Human Development Index
Socio-economic situation and main challenges/Poverty and vulnerability	Vulnerability map and index (combining climate exposure, socio-economic sensitivity and adaptive capacity) to poverty and food insecurity	Model. Parameters selected and weighted by the user. Model, script to be linked to future application.	Presentation[a]
Socio-economic situation and main challenges/Poverty and vulnerability by target group	What target groups (in numbers) are considered vulnerable, by geographical area?	Model, script to be linked to future application and GeoScan.	Females, youth (15-24), output area defined
Socio-economic situation and main challenges/Livelihoods and agriculture	Key country statistics of mainstreaming themes and thematic maps related to the overall situation of agriculture and livelihoods in a country (agricultural areas, deforestation, soil erosion, livelihood zones)	Model, script to be linked to future application and GeoScan.	Example of key country stats: • Rural population • Employment in agriculture (% of total employment) • Agriculture, value added (% of GDP) • Land under cereal production (hectares) • Cereal yield (kg per hectare)

SECAP theme	*Information output*	*Functionality/model/ automation*	*Information layers or Information*
Socio-economic situation and main challenges/Economy, food production and food insecurity	Inclusion of key country statistics, thematic maps and those parameters that highlight or contribute to the overall situation of food production and food insecurity (namely biophysical factors, e.g. water availability, soil type and hazards, and exposure to climatic hazards, floods and droughts).	API, model, script to be linked to future application and GeoScan.	Database[b]
Socio-economic situation and main challenges/ Gender, poverty, food security and climate	Country statistics of key mainstreaming themes, thematic maps and those parameters that highlight or contribute to the overall situation of gender and poverty.	API, model, script to be linked to future application and GeoScan.	Examples of key country stats: • Literacy rate • Youth female (% of females ages 15-24) • School enrolment • Ge
Socio-economic situation and main challenges/Youth, poverty, food security and climate	Country statistics of key mainstreaming themes, thematic maps and those parameters that highlight or contribute to the overall situation of youth and poverty.	API, model, script to be linked to future application and GeoScan.	Such as total youth employed in agriculture
Agricultural, environment and climate	Climate hotspot maps (past-present of climate anomalies that affect agriculture systems and populations, such as temperature, precipitation, physical and economic risk to flooding, drought and landslides). Country statistics of key mainstreaming themes, thematic maps and those parameters that highlight or contribute to the overall situation of agriculture, the environment and climate (NDVI, historic trends in rainfall and temperature, dry spells).	Model. Parameters selected and weighted by the user. Model, script to be linked to future application.	Presentation[a] Database[b]

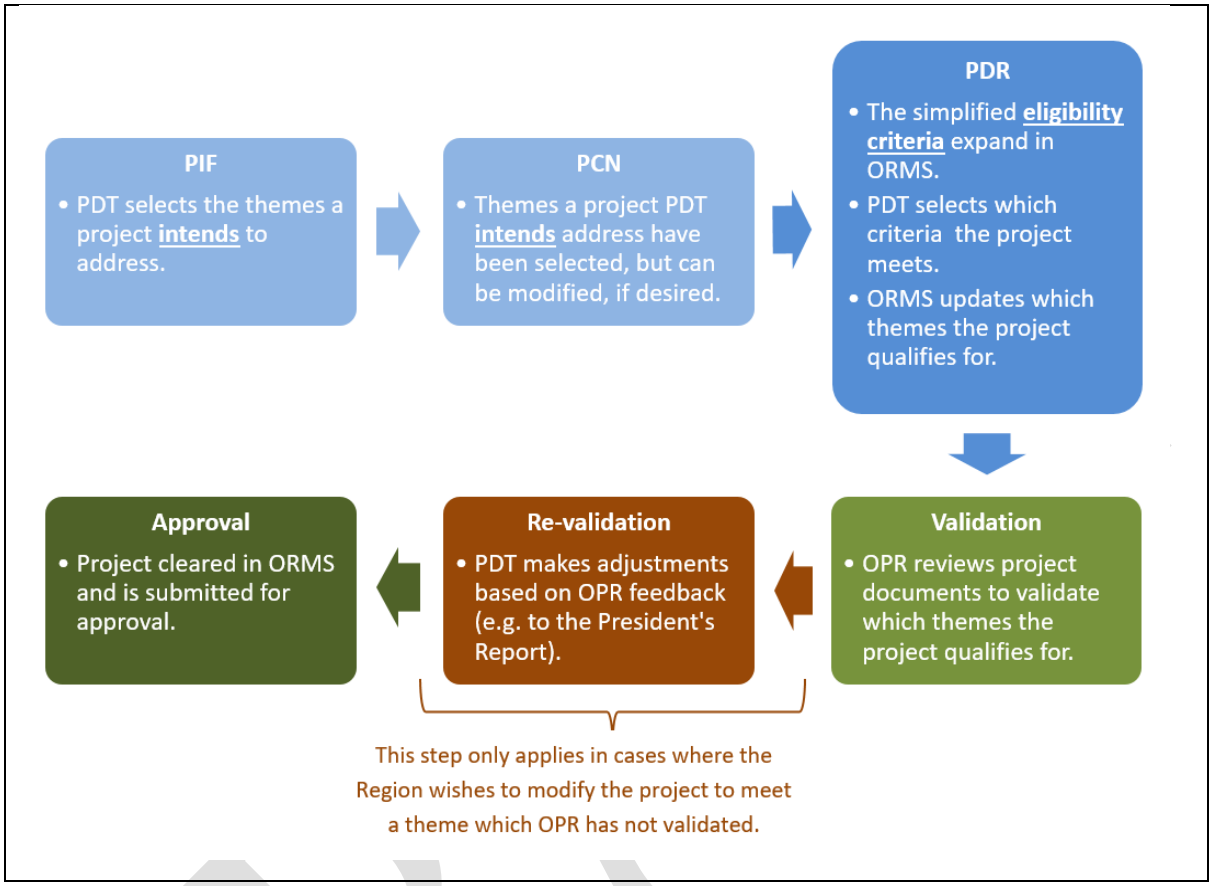
[a] Eric Patrick et al., *Targeting, Risk Management, Mainstreaming: A Vulnerability Model* (presentation), https://docs.google.com/presentation/d/10tU-nRnx2Zxy-iieA15MBCQnLRtFoiO8OmHoUYiQbCA/edit#slide=id.g7f393c8688_0_0.

[b] See https://docs.google.com/presentation/d/10tU-nRnx2Zxy-iieA15MBCQnLRtFoiO8OmHoUYiQbCA/edit#slide=id.g7f393c8688_0_0.

API = application programming interface; NDVI – normalized difference vegetation index; UNDP = United Nations Development Programme; UNEP = United Nations Environment Programme; WB = World Bank

Figure A1

Validation process for IFAD mainstreaming commitments selected by project delivery teams



PIF =; PCN = project concept note; PDR = project design report; PDT = project delivery team; ORMS = Operational Results Management System; OPR = Operational Policy and Results Division

Table A3

Mainstreaming requirements matrix

Note that all relevant criteria must be met for a project to qualify as gender transformative, nutrition sensitive or youth sensitive.

This classification will be validated by the Operational Policy and Results Department (OPR) in the Operational Results Management System on the basis of the latest available project documentation.

	Gender transformative[a]	*Nutrition sensitive*	*Youth sensitive*	*Climate finance*[b]
Theme-specific situation analysis	Describe **national policies, strategies and actors** addressing gender. Identify the different **roles, interests and priorities** of women and men and the underlying structures and norms of **exclusion and discrimination.** Identify the most important livelihood **problems and opportunities** faced by the community, as seen by women and men. *In the M&E section of the design document, include an explicit commitment to undertake the **IFAD gender empowerment assessment** [c] when undertaking the project **baseline** study as well as at completion, as proxy outcome indicator on GEWE.	Describe **national policies, strategies and actors** addressing nutrition. Identify the **main nutrition problems and underlying causes of malnutrition by affected group** (e.g. by sex, youth, indigenous peoples and historically underserved local communities) in the project area. Identify **nutritionally vulnerable beneficiaries by group** (e.g. by sex, youth, (if applicable) indigenous peoples and historically underserved local communities).	Describe **national policies, strategies and actors** addressing youth. Describe **main youth groupings** (e.g. by age, gender, ethnicity). Analyse the **context-based challenges and opportunities** for each youth grouping.	Clearly set out the **climate vulnerability context** of the project (=MDB adaptation methodology step 1). To the extent possible, **support IFAD clients in meeting their NDC priorities and commitments**, building on the integration of the NDC analysis in IFAD country strategies. For eligible mitigation activities, an **ex ante estimate of GHG emissions** reduction potential is provided (=MDB mitigation methodology).
Integration in theory of change	Address **all three gender policy objectives** in ToC: • Economic empowerment • Equal voice • Balanced workloads. *Showcase **gender-transformative pathways**. Plan for policy engagement on **GEWE**.	Identify **nutrition pathways** (e.g. nutritious food production; income-generating activities; nutrition education; WASH; engagement in multisectoral platforms). Present the **causal linkage** between **problems** identified, desired **outcomes** and expected nutrition **impacts**.	Showcase **pathways to youth socio-economic empowerment**. Include **youth employment** among the project objectives and activities (e.g. access to assets, skills and services for employment opportunities).	Include a **statement of intent** to address specific climate vulnerabilities (=MDB adaptation methodology step 2). Demonstrate a **clear and direct link** between climate vulnerability and project activities (=MDB adaptation methodology step 3).

	Gender transformative[a]	*Nutrition sensitive*	*Youth sensitive*	*Climate finance*[b]
Mandatory logframe indicators (outreach & outcome)	Disaggregate Outreach indicator (CI 1) **by sex.** At least **40% of project beneficiaries are women** (specify number as part of CI 1 on Outreach).[d] *Include **the IFAD empowerment index**[e] as an additional impact indicator to measure change in women's empowerment.	Disaggregate nutrition Outreach indicator (CI 1.1.8) by **sex, youth and (if applicable) indigenous peoples and historically underserved local communities**. Specify **number of households provided with targeted support to improve their nutrition** (CI 1.1.8 on Outreach).[f] Include either or both of these logframe indicators: 8. **New core outcome indicator 1.2.8:** Percentage of women reporting minimum dietary diversity (MDDW).[g] 9. **New core outcome indicator 1.2.9:** Percentage of the targeted people who have improved nutrition KAP.	Disaggregate Outreach indicator (CI 1) by **sex and youth.**	Appropriate **IFAD core climate and environment indicators** are adopted: • Projects with **adaptation finance:** Suitable selection from core indicators 1.1.1, 3.1.1, 3.1.2, 3.1.4, 3.2.2 and 3.2.3.[h] • Projects with **mitigation finance:** Must include core indicator 3.2.1 (tCo2e avoided/sequestered) and should include 3.1.3 (technologies that sequester), if appropriate.
Dedicated human & financial resources	Include **staff with gender-specific TOR**. Allocate **funds** to deliver gender-related activities. *Allocate **funds in the M&E budget to undertake the IFAD empowerment survey** at baseline and completion.	Include **staff with nutrition-specific TOR** OR a suitable **implementation partner** on board. Allocate **funds** to deliver nutrition-related activities. Allocate **funds in the M&E budget to undertake the MDDW and/or KAP measurements** at baseline, midterm and completion.	Include **staff with youth-specific TOR**. Allocate **funds** to deliver youth-related activities.	Include **staff with TOR appropriate to climate-related activities**. Allocate **funds** to deliver climate-related activities. If all above requirements are met, apply the MDB methodologies in a granular and conservative manner (i.e. ensuring that only climate-focused activities, or appropriate shares, are counted) to **estimate IFAD climate-change-adaptation and/or -mitigation finance** in the project.

Gender transformative[a]	*Nutrition sensitive*	*Youth sensitive*	*Climate finance*[b]

[a] Criteria without an asterisk refer to criteria also applicable to gender-mainstreamed projects. Criteria with an asterisk refer to additional criteria to qualify a project as gender transformative.

[b] For ease of comparison, the main principles of the MDB methodologies have been simplified to fit the four overarching areas. The MDB methodologies in full can be reviewed in the latest MDB Joint Report on Climate Finance and the latest IFAD Climate Action Report.

[c] Integrating key elements of the project-level Women's Empowerment in Agriculture Index (pro-WEAI).

[d] Core Indicator 1 (Outreach): Number of persons receiving services promoted or supported by the project.

[e] Integrating key elements of the project-level Women's Empowerment in Agriculture Index (pro-WEAI).

[f] Core Indicator 1.1.8 (Outreach): Persons provided with targeted support to improve their nutrition.

[g] MDDW is Minimum Dietary Diversity for Women. It assesses whether or not women 15–49 years of age have consumed at least five out of ten defined food groups the previous day or night.

[h] See IFAD, *Taking IFAD's Results and Impact Management System (RIMS) to the Next Level* (EC 2017/96/W.P.7) (Rome: IFAD, 2017), https://webapps.ifad.org/members/ec/96/docs/EC-2017-96-W-P-7.pdf for full descriptions of climate and environment indicators.

CI = Corporate Indicator; GEWE = gender equality and women's empowerment; KAP = knowledge, attitudes and practices; MDB = multilateral development bank; NDC = nationally determined contribution; ToC = theory of change; TOR = terms of reference; tCo2e = ton of carbon dioxide equivalent; WASH = water, sanitation and hygiene.