Document: EB 2009/96/R.7
Agenda: 7
Date: 25 March 2009
Distribution: Public
Original: English

E

IFAD
Enabling poor rural people
to overcome poverty

Environmental management and sustainable development

IFAD's Environmental and Social Assessment Procedures

Executive Board — Ninety-sixth Session
Rome, 29-30 April 2009

For: **Review**

Note to Executive Board Directors

This document is submitted for review by the Executive Board.

To make the best use of time available at Executive Board sessions, Directors are invited to contact the following focal point with any technical questions about this document before the session:

Sheila Mwanundu
Senior Technical Advisor, Environment and Natural Resource Management
telephone: +39 06 5459 2031
e-mail: s.mwanundu@ifad.org

Queries regarding the dispatch of documentation for this session should be addressed to:

Deirdre McGrenra
Governing Bodies Officer
telephone: +39 06 5459 2374
e-mail: d.mcgrenra@ifad.org

Contents

Abbreviations and acronyms

ADB	Asian Development Bank
AfDB	African Development Bank
AP/PD	Assistant President/Programme Management Department
CAS	Country Assistance Strategy
CBD	Convention on Biological Diversity
CBO	Community Based Organization
CCA	Common Country Assessment
CEA	Country Environmental Analysis
CPM	Country Programme Manager
CPMT	Country Programme Management Team
ESA	Environmental and Social Assessment
EB	Executive Board
EC	European Commission
EEC	European Economic Community
ESIA	Environmental and Social Impact Assessment
ESIS	Environmental and Social Impact Statement
ESS	Environmental Screening and Scoping
ESRN	Environmental and Social Review Note
EU	European Union
EUGAP	European Union Good Agricultural Practices
FAO	Food and Agriculture Organization of the United Nations
GIS	Geographic Information System
IADB	Inter-American Development Bank
IAIA	International Association for Impact Assessment
IBRD	International Bank for Reconstruction and Development
IEE	Initial Environmental Examination
IFAD	International Fund for Agricultural Development
IFDC	International Centre for Soil Fertility and Agricultural Development
ILRI	International Livestock Research Institute
KSF	Key Success Factor
MAT	Maturity Assessment Template (Assessment of Program/Project Design Maturity)
MDG	Millennium Development Goal
MFI	Multilateral Financial Institutions
NAP	National Action Programme
NAPA	National Adaptation Programmes of Action
NEAP	National Environment Action Plan
NGO	Non-Governmental Organisation
NRM	Natural Resource Management
OECD	Organisation for Economic Co-operation and Development
OS	Operational Statements
OSC	Operational Strategy and Policy Guidance Committee
PB	President's Bulletin
PDR	Project Design Report
PPP	Policy, Plan and Programme
PRSP	Poverty Reduction Strategy Paper
PT	Technical Advisory Division
QA	Quality Assurance

QE	Quality Enhancement
RB-COSOP	Results-Based Country Strategic Opportunities Programme
RD	Regional Director
REA	Regional Environmental Assessment
RIMS	Results and Impact Management System
RRN	Reviewers' Recommendations Note
SEA	Strategic Environmental Assessment
SIA	Social Impact Assessment
SWAp	Sector-Wide Approach
TOR	Terms of Reference
UNCCD	United Nations Convention to Combat Desertification
UNCED	United Nations Conference on Environment and Development
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNFCCC	United Nations Framework Convention on Climate Change
UNDAF	United Nations Development Assistance Framework
WB	World Bank
WSSD	World Summit on Sustainable Development

Executive summary

Why this paper?

1. At the Consultation on the Eighth Replenishment of IFAD's Resources, IFAD Management made a commitment to present IFAD's internal procedures for environmental management and sustainable development for the review of the Executive Board. These procedures were issued in December 2008 as a President's Bulletin (PB/08/23).[1]

2. The procedures are to help IFAD staff and partners deal with environmental issues in project design and policy advice. As such, they constitute one of the building blocks of IFAD's approach to sustainable development. This paper provides the context for the environmental and social assessment procedures and their salient features, along with an overview of IFAD's approach to environmental and social issues in the operations it finances and supports. The paper draws on the first two chapters, which contain the core substance of the procedures.

3. IFAD has also committed to preparing an environmental and climate change policy for Board approval in 2010. The new policy is likely to result in changes to the procedures presented here.

Why does IFAD need to apply these procedures?

4. The environment – defined as the space and physical conditions that allow for livelihood development – is particularly important for rural poor people: they are largely dependent on the natural resource base for their livelihood and hence are more vulnerable to natural resource degradation and environmental pollution. The depletion of shared resources may generate or further exacerbate conflicts among the various users. The threats to the global commons – such as the loss of biodiversity, increased water scarcity, desertification, poor soil fertility and climate change – present additional challenges to poor rural communities, particularly the disadvantaged groups within them.

What process was followed in developing these procedures?

5. These environmental and social assessment (ESA) procedures were developed through a consultative process that involved the Community-Based Natural Resource Management Thematic Group, selected IFAD staff and the Multilateral Financial Institutions Working Group on Environment. Prior to finalization, the procedures were posted on the intranet to allow for broader feedback by IFAD staff. This consultation process has helped steer the Fund's work towards greater mainstreaming of environmental and social considerations by:

   (i) Improving clarity, coherence and consistency with IFAD's quality enhancement (QE) process;

   (ii) Ensuring an approach that focuses on results during implementation; and

   (iii) Promoting harmonized approaches on safeguard practices across multilateral financial institutions, while tailoring these approaches to IFAD clients.

[1] These procedures supersede the "Administrative Procedures for Environmental Assessment in the Project Cycle" (PB 94/03) issued in 1994. A summary of key changes to the procedures and the drivers of these changes – which include IFAD's recent organizational reforms – are summarized in the table presented on page viii.

Who is the target audience?

6. The main objective of the procedures is to enhance the capacity of IFAD staff and of design and implementation teams to address environmental and social issues throughout the project cycle. The procedures define the process and identify the entry points to mainstream[2] environmental and social dimensions effectively into country programming (i.e. formulation of results-based country strategic opportunities programmes [RB-COSOPs]), design and policy dialogue). They refer to IFAD's QE process and environmental entry points at various stages in the programme/project cycle, although the focus is on the design of loan-supported operations. The procedures work in alignment with the IFAD's QE process using the following key tools:

   (i) Strategic Environmental Assessment (SEA), undertaken during the development of RB-COSOPs, as deemed necessary;

   (ii) Environmental and social screening at the inception or formulation stages of all programmes and projects;

   (iii) Environmental and Social Impact Assessment (ESIA) undertaken at the formulation or appraisal stages of projects, as deemed necessary;

   (iv) Environmental clauses and/or covenants to be included at loan negotiation, as deemed necessary;

   (v) Environmental and social monitoring during programme and project implementation; and

   (vi) Ex post facto environmental and social impact assessment to be undertaken during the completion evaluation of programmes and projects, as deemed necessary.

7. The procedures are also meant to inform Governments and development partners with whom IFAD works in order to fulfill shared environmental and social objectives, including other multilateral financial institutions, civil society organizations and borrower countries.

How are IFAD's environmental procedures linked with other organizational processes?

8. Sound environmental management is contingent upon social and institutional factors such as the empowerment of vulnerable groups, gender equity, conflict management, traditional/local know-how, risk management, legislation (and its enforcement), land tenure and good governance. Illustrating a One UN rights-based position, drawing on the UN Declaration on the Rights of Indigenous Peoples, recognizing prior informed consent, rights to land and natural resources, and intellectual property is considered an important part of the social dimension.

9. The increasing prominence being given to environmental and social considerations within IFAD is reflected in its Strategic Framework 2007-2010, the Results Measurement Framework indicators, project design and QE practices, annual portfolio reviews and project evaluations. It is a core priority of IFAD to finance and support activities that promote asset building, access to, and sustainable use of, natural resources, and that are based on ownership and/or other access or tenure security arrangements by poor rural women and men in order to achieve sustainability. To further enhance the environmental and social quality of its operations, IFAD Management has issued these guidelines.

[2] Implies the integration of environmental and social tools and approaches into the project cycle to increase harmonization of economic, environmental and social concerns.

10. The ESA procedures further develop requirements for integrating environmental considerations in IFAD operations and give emphasis to its social requirements through a mix of principles, tools and procedural requirements. The procedures complement other IFAD initiatives, notably: (i) the Strategic Framework; (ii) the IFAD Policy on Targeting; (iii) IFAD's quality enhancement and quality assurance processes; (iv) the IFAD Innovation Strategy; (v) research activities; (vi) global environmental priorities; and (vii) the IFAD Policy on Enterprise Risk Management. Similarly, the recent IFAD Policy on Supervision and Implementation Support gives appropriate weight to environmental and social considerations. All projects entering the pipeline should also satisfy IFAD criteria in respect of stakeholder consultation and institutional viability to ensure long-term environmental sustainability.

11. The ESA Procedures also outline the limits to IFAD's work and the responsibilities of other parties, notably those of the initiating institutions that are cofinancing IFAD projects.

How are the procedures presented?

12. The procedures are laid out over two chapters. The first chapter provides the information necessary to formalize IFAD's approach to ESA in the QE and decision-making processes, along with supporting material to guide IFAD missions in introducing the necessary measures systematically into all operations. The second chapter describes how SEA can be used as a planning tool and indicates suitable entry points for the SEA process in the development of RB-COSOPs. Both chapters are attached for the review of the Executive Board.

13. IFAD has developed operational statements for thematic areas and subsectors such as biodiversity, use of fertilizers, management of forest resources, etc. to support environmental and social screening/scoping of projects and programmes and to strengthen project design.

What are the key aspects of the ESA Procedures?

14. As an agricultural and rural development cum knowledge institution, the Fund ensures that its operations (loans and Global Environment Facility-supported initiatives) are conducted in line with best environmental practices. The procedures build on IFAD's extensive experience[3] and on the international community's evolving approaches to these issues. In particular, the ESA Procedures underpin the Fund's commitment to environmental and social sustainability in the following key ways:

    (i) Use of a precautionary approach and preventive action rather than curative treatment, i.e. addressing environmental degradation at the source;

    (ii) Alignment with best practices of bilateral and multilateral financial institutions. Reference will also be made to internationally recognized certification schemes, as necessary;

    (iii) Improved cross-sectoral approaches to environmental support and implementation of the procedures in the Programme Management Department and at country levels;

    (iv) Provision of a robust framework for effective management of environmental and social risks, and cultural heritage. Where IFAD requirements are not met, a decision to deny financing or support for activities may be considered;

[3] Accumulated over fifteen years, since the approval of President's Bulletin PB/ 94/03.

(v) Emphasis on early identification of challenges and opportunities with borrowing countries in the course of establishing results-based country strategies[4] and priorities for IFAD support through the use of SEAs;

(vi) Consistency with recent thinking on sustainable development in terms of transparency and accountability, a greater role for civil society organizations and more engagement by the private sector. These stakeholders may be fostered through grant-based support;

(vii) Strengthening of community resource users' groups and their early and continuous engagement in identifying environmental opportunities, fostering sustainable alternative livelihoods and finding sustainable and cost-effective solutions;

(viii) Contribution to sound natural resource management, with specific references to protection/enhancement of biodiversity and ecosystem functions, air, water, soils, biotopes, fisheries, rangelands, forests and wetlands through the use of eleven operational statements;[5]

(ix) Setting of safeguards for human health by addressing public-health concerns (e.g. through judicious use of agrochemicals, integrated zoonotic and pest management, monitoring of water quality, drainage of effluents and waste management);

(x) Establishment of criteria for environmental categorization of projects (A, B or C) entering the pipeline and undertaking of environmental and social impact assessments for projects classified as Category A;

(xi) Support to the generation of both local and global environmental benefits by focusing on ecosystem integrity, mitigation or adaptation activities, biodiversity, innovative financial and market-based instruments (e.g. the development of carbon credit potential, rewards for environmental services), renewable energy, clean technologies and transboundary issues such as desertification; and

(xii) Introduction of measures to monitor and evaluate the impact of environment-related interventions.

15. The procedures are not intended to be comprehensive in terms of analysis and integration tools, rather they concentrate on the tools that IFAD is committed to applying within the framework of donor harmonization on environmental and social assessments.

How will these procedures be refined in the future?

16. The procedures and the operational statements are "living" documents that will undergo continuous improvement[6] as IFAD's knowledge and experience evolves and its policies and priorities change. It is recognized that only through self-assessment (reported through the Report on IFAD's Development Effectiveness); independent evaluation (reported through the Annual Report on Results and Impact of IFAD's Operations); selected thematic studies; and refinement of the indicators under the Results Measurement Framework; and

[4] In order to inform this process, the key tool is the SEA. This exercise is meant to facilitate the integration of environmental and social issues into country response strategies and to underpin policy dialogue. It is to be carried out in close coordination with development partners, as determined by an SEA screening procedure.
[5] The statements assist in environmental and social screening/scoping of projects and programmes, and provide alternative options for strengthening project design.
[6] This will be carried out in close coordination with project implementation units and with development partners, including international financial institutions and client countries.

the review and consistent application of these procedures, will learning be ensured and knowledge generated to feed into their improvement.

17. The proposed IFAD policy on environment and natural resource management and strategy on climate change for implementation within its lending framework, to be completed in 2010, will be informed by the above-mentioned improvement process, and will result in a modification of the procedures.

What's new in IFAD's approach to environmental and social issues?

Key factors of change	*Strategic Framework*	*Tools/Instruments*	*Institutional realignment*
Lessons learned			
Build on field realities and impact concerns Set realistic targets Focus on country ownership	Emphasis on poverty-environment linkages Focus on targeting and gender equality Emphasis on institutional strengthening	Country diagnostic studies Guidance/learning notes Operational statements Portfolio reviews	Emphasis on poverty and vulnerability assessments Institutional commitments such as field presence, implementation support, supervision and knowledge management
Changing context			
Globalization Increasing role of public/private partnership Stronger role by regional organizations and civil society Increasing role of research Focus on comparative advantage	"Mainstreaming" (inter-sectoral linkages) and scaling up (focus on best practices and policy dialogue) Emphasis on institutional strengthening including community-based natural resource management	SEAs Policy dialogue Grant policy IFAD supplementary funds	Innovation mainstreaming Focus on challenges such as climate change, desertification, food crisis and emerging diseases (i.e. avian influenza) Innovative financing mechanisms such as ecosystem markets Strategic partnerships Grant/policy processes Global and country grants
Changing IFAD			
Comprehensive development framework Focus on integrated environmental and social assessments Focus on quality-at-entry Focus on indigenous peoples and marginalized poor groups Focus on agricultural productivity/production Focus on fragile states	Focus on maximizing local and global environmental opportunities Emphasis on natural resource management	Targeting policy Gender-sensitive poverty and livelihood analysis Risk/vulnerability assessments Key success factors Sector-wide programmes Changing lending instruments Results-based strategic programmes/ approaches Participatory tools Free, prior and informed consent	Policy on supervision and implementation support Framework for Gender Mainstreaming in Operations Results and impact monitoring Linking local to global environmental benefits Quality enhancement and assurance processes Staff training Policy Forum

Environmental management and sustainable development

IFAD's Environmental and Social Assessment Procedures

Introduction

IFAD's Commitment to Environmental Management

IFAD's mission statement "To enable poor rural people to overcome poverty"

1. As a development institution, IFAD has been involved in addressing environmental issues for many years. IFAD's 'Administrative Procedures for Environmental Assessment in the Project Cycle' – PB/94/03 was approved in 1994, broadly mandating the Fund to ensure that all environmental issues associated with its operations are adequately addressed. The Administrative Procedures included provisions for: (i) improving environmental quality of operations financed by the Fund; (ii) promoting the conservation and sustainable management of natural resources with specific references to environmentally sustainable practices for biological diversity and protected area management, fisheries, range resources, forest resources, wetlands and water resources; (iii) environmental categorization of projects entering the pipeline; and (iv) environmental impact assessments (EIA) for all projects with classification of Category A.

2. The imperative to recognize and act upon the linkages between poverty and environment in IFAD's operations is particularly strong given the generally negative changes in the world's ecosystems. The 2006 Millennium Ecosystem Assessment (MA) summarized the importance of ecosystem goods and services to the well-being of human populations throughout the world. It also highlighted the particular vulnerability of poor people to declines in ecosystem goods and services, because their lifestyles are disproportionately dependent upon the provisioning services of ecosystems and they frequently lack other options. As a specialised agency of the United Nations, IFAD actively embraces the principles of sustainable development and is demonstrated in its support to the Global Mechanism of the United Nations Convention to Combat Desertification (UNCCD) and the International Land Coalition (ILC). As an executing agency for the Global Environment Facility, IFAD has taken a key role in dealing with threats to the global environmental commons, such as biodiversity loss, deteriorating International Waters, Climate Change, desertification and Land Degradation, with a special focus on the latter three because related issues (in isolation or combined) threaten the livelihoods of nearly one billion poor rural people around the globe. These threats present new urgent challenges, especially to poor rural communities many of whom depend entirely on natural resources for their daily livelihoods. The Fund's commitment to sustainable development is also illustrated in its Strategic Objectives wherein, a balance of economic growth, social cohesion and equity, agricultural productivity/production, environmental protection and sustainable natural resource management are considered as fundamental to its core mandate of rural poverty reduction – a link recognised by the Comprehensive Development and in the Multilateral Environmental Agreements (MEAs) set forth in the Millennium Development Goals (MDGs). Through the afore-mentioned efforts, the Fund has built up a portfolio of investments devoted to environmental issues and rural poverty reduction and continues to make progress in "mainstreaming' environmental and social objectives into its operations (loans, grants and policy dialogue).

3. These updated Environmental and Social Assessment (ESA) Procedures entitled 'Environmental Management and Sustainable Development', hereafter referred to as ESA Procedures, draw on lessons learned on the basis of past and recent experience on environmental issues by IFAD and other partners, and it sets a direction for the Fund's future actions in the environment and natural resources area for the longer term. The focus is on an integrated assessment of the environmental, social and economic factors, which are the key elements of rural poverty reduction and sustainable development, complemented by broader factors such as institutions and governance dimensions. These procedures respond to a changing global context and take into account current realities that influence environmental sustainability, such as: (i) the links between poverty reduction and sustainable natural resource management; (ii) increased role of community participation, including Indigenous Peoples, in decision-making and governance processes; (iii) evolving new approaches to development effectiveness; (iv) changing roles of private and public sectors, and civil society; (v) generating local and global environmental benefits and opportunities to address challenges such as climate change and desertification; (vi) country-level environmental analysis to inform both country strategies and dialogue; (vii) innovative markets and mechanisms for global environmental public goods; and (viii) application of best practices and standards of the international community. The ESA Procedures apply these lessons to our future efforts (see Tables 1 and 2).

4. These ESA Procedures replace the earlier IFAD 'Administrative Procedures for Environmental Assessment in the Project Cycle' and make no attempt to provide a comprehensive list of environmental and natural resource issues in IFAD's borrower countries. In view of the great diversity of environmental, economic, institutional and social challenges across the borrower countries, it seeks to address these challenges by providing a common approach that allows for flexibility in carrying out environmental and social assessments, responding to the diversity of needs. A central theme, therefore, is the importance of working with borrower countries and partners to develop and implement policies, plans, programmes and investments that not only address the links of environment and poverty but also tailor IFAD support according to differences in environmental management capacity in respective countries.

5. These Procedures are unique from existing environmental guidelines of other partners as the focus is on the rural poor and the important role that sound management of environment and natural resources plays in promoting livelihoods in poor rural settings. The ESA Procedures work in a complementary fashion with other IFAD initiatives which include (i) strategies; (ii) policies1; (iii) QE Guidance Notes; (iv) risk management of its portfolio; and (v) transparency and accountability. These five elements have implications for issues that are important for the mainstreaming of environment in IFAD operations, in particular, the identification of suitable entry points for enhanced quality of the design and implementation support of IFAD projects and programmes. The Procedures should enable users to identify environmental constraints as well as opportunities when pursuing economic and social development objectives in rural areas. The Fund will endeavour to operationalise these Procedures by enhancing measures to mainstream the environment into overall economic and social development of its operations, and to safeguard the environment in all its activities, while improving the livelihoods of poor rural people.

6. These ESA Procedures are a product of a broad consultation process that has involved staff from IFAD and selected resource persons from multilateral and bilateral development agencies. The consultations have played an important role in

[1] These include:
(i) IFAD targeting policy: Reaching the rural poor;
(ii) IFAD policy on supervision and implementation support

shaping these Procedures in order to align it with those of other Multilateral Financial Institutions and country priorities, and with IFAD's new Quality Enhancement and Assurance process. Continuous communication and collaboration with borrower countries, partners and IFAD staff in the Programme Management Department, as well as systematic monitoring and assessment of the effectiveness of the ESA Procedures, are essential to its further updating, improvement, and successful implementation. In order to achieve this, what is required is an integrated approach that focuses on the ways that both environment and social aspects impact poor rural livelihoods and builds on: (i) lessons from past and ongoing efforts; (ii) changing global trends; and (iii) IFAD's comparative advantage (see Table 1). We expect that this approach will continue resulting in updated ESA procedures to enhance quality at entry.

7. There are six main parts of the ESA Procedures. This Introductory section introduces the general concepts and ideas related to environmental and social assessment and highlights IFAD's Environmental and Social Values and Principles. Chapter I provides information necessary to formalize IFAD's approach to ESA in the Quality Enhancement and decision-making processes, and a set of supporting materials that will guide IFAD missions to introduce the necessary environmental and sound dimensions systematically into all IFAD operations. Chapter II provides information on Strategic Environmental Assessment (SEA) as a planning tool and provides suitable entry points for the SEA process in the development of RB-COSOPs. The next part is Glossary followed by a section on References which provides a bibliographic compendium of selected assessments and management guidelines that deal with specific environmental and social aspects. The last part consists of a set of Operational Statements to assist in environmental and social screening/scoping of projects and programmes, as well as strengthening of the respective designs.

Table 1
What's new in IFAD's approach to environmental and social issues?

Key Factors of Change	Strategic Framework	Tools/Instruments	Institutional Realignment
Lessons learned Build on field realities and impact concerns Set realistic targets Focus on country ownership	Emphasis on poverty-environment links. Focus on targeting and gender equality Emphasis on Institutional Strengthening	Country diagnostic studies Guidance/Learning Notes Operational Statement Portfolio reviews	Emphasis on poverty and vulnerability assessments Institutional commitments such as field presence, implementation support, supervision and knowledge management
Changing context Globalisation Increasing role of public/private partnership Stronger role of regional organizations and the civil society Increasing role of research Focus on comparative advantage	"Mainstreaming" (inter-sectoral linkages) and upscaling (focus on best practices and policy dialogue) Emphasis on institutional strengthening including Community-Based Natural Resource Management	Strategic Environmental Assessments (SEAs) Policy dialogue Grant policy IFAD Supplementary Funds	Innovation mainstreaming Focus on challenges such as climate change, desertification, food crisis and emerging diseases (i.e. avian flu) Innovative financing mechanisms such as ecosystem markets Strategic partnership Grant/policy processes Global and Country grants
Changing IFAD Comprehensive Development Framework Focus on integrated environmental and social assessments Focus on quality at entry Focus on Indigenous Peoples & the Marginalised Poor Focus on agricultural productivity/production Focus on fragile states	Focus on maximising local and global environmental opportunities Emphasis on natural resource management	Targeting policy Gender-sensitive poverty and livelihood analysis Risk/vulnerability assessments Key Success Factors Sector-wide Programmes Changing lending instruments Results-based strategic programmes/ approaches Participatory tools	Policy on supervision and implementation support Framework for Gender Mainstreaming in IFAD's Operations Results and impact monitoring Linking local to global environmental benefits Quality enhancement and assurance processes Staff training Policy Forum

Key Factors of Change	Strategic Framework	Tools/Instruments	Institutional Realignment
		Free, prior and informed consent	

Box 1 IFAD'S Environmental and Social Values and Principles

In support of the Fund's mission to enable poor rural people to overcome poverty, IFAD is committed to adopting the following environmental and social values and principles:

A. **Address the vulnerability and adaptation needs for the rural poor**. In this context: (i) address the cause-effect relationship between rural poverty and environmental degradation; (ii) ensure that its operations support the efficient use of natural resources, subject to their regenerative capacity; (iii) adopt approaches that foster mediation to help rebuild social cohesion and good governance of natural resources; and (iv) wherever possible make use of indigenous knowledge & technologies that improve rural livelihoods while safeguarding the environment.

B. **Promote the sustainable use of natural resources and protection of key ecosystems**. Ensure that its operations (agricultural, fishery, forestry, livestock, micro-enterprise development, promotion of rural finance) do not lead to unnecessary clearing of tropical forests, unsustainable utilisation of natural resources, the inundation of irrigation storage reservoirs, the loss of biodiversity (loss or threat of biodiversity and the elimination of important breeding grounds and habitats such as fish nurseries, etc). This shall apply especially to those activities in which the intensification of agricultural production and value chain development are specific objectives.

C. **Focus on partnership-oriented initiatives for improved social and environmental quality**. Consider the diversity of environmental and social factors which impinge on its activities – such as population dynamics, health and sanitary conditions, institutional strengthening, environmental awareness - to expand use of win-win practices across collaborating institutions and maximise impact.

D. **Address environmental and social impact assessments of agricultural and non-agricultural activities in an integrated manner**. Where impacts are found to be potentially detrimental to the environment and rural livelihoods, undertake suitable measures to mitigate risks and adverse impacts, and thus ensure the sustainability of its rural poverty programmes.

E. **Incorporate externalities and minimize social costs**. Mitigate diseconomies imposed by an IFAD-financed operation on the environment external to the project boundaries. Where possible, its operations shall address the affected areas as well, through joint projects (which may constitute an entire command area or watershed) to minimise social, economic and environmental costs in the affected area and, where possible, to incorporate the externalities.

F. **Implement participatory approaches, with special emphasis on the role of women**. Strengthen local farm-level organizations and user groups, essential for promoting environmental sustainability and social cohesion. In this regard, promote appropriate incentive systems and maximise the opportunities for local grass-root organizations and the target group, with special emphasis on the role of women, to participate in project/programme design and implementation, as well as in cost recovery and delivery systems.

G. **Promote the development of Indigenous Peoples and other marginalised groups (pastoralists, hunters and gatherers)**. Through its operations, enhance their livelihoods: secure ownership /access to ancestral land and territories; strengthen their institutions, promote Free Prior Informed Consent (FPIC), and value indigenous knowledge systems.

H. **Promote environmentally sound agricultural and manufacturing processes**. These include Traditional and Indigenous Technologies, Integrated Pest Management (IPM), use of biological control and cleaner technologies. Whenever it is necessary to use agrochemicals in its investment projects, ensure (through enhanced environmental awareness, farmer training & improved field extension services) the proper application, storage and disposal of agricultural chemicals in line with international standards.

I. **Ensure systematic environmental and social monitoring**. Focus on projects identified as 'at risk' or in 'sensitive areas' centered on its Results and Impact Management Framework to help promote continued diligence in pursuing its environmental objectives. Committed to maintaining transparency, continue the disclosure of any information considered useful in clarifying its operations, within the limitations of its Disclosure Policy.

J. **Undertake Strategic Environmental Assessments**; where appropriate; undertake integrated environmental and social assessments at critical points of the Plan, Policy and Programme cycles centered on results of promoting aid effectiveness, while focussing on promoting better sustainable regulatory and institutional frameworks of countries.

Table 2.
Addressing environmental issues in the context of IFAD's strategic objectives and principles of engagement

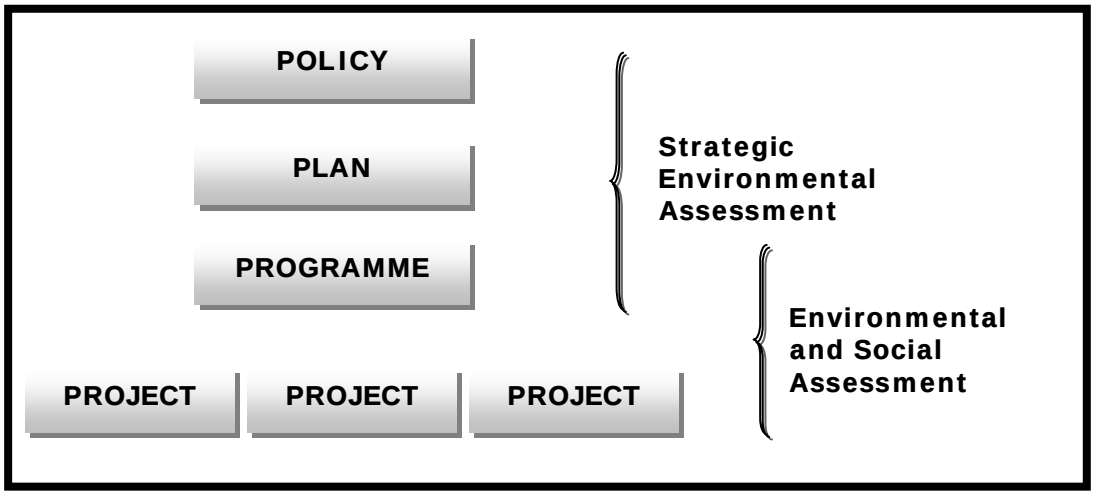
Strategic objectives, principles of engagement	Entry points and priorities from an environmental perspective
1 Natural resources, especially secure access to land and water, and improved natural resource management and conservation practices	Establish links between poverty and NRM Policy dialogue on incentives to optimize local control over, and access to NR Environmental awareness for user groups (in water, community forest, etc.) Indigenous/traditional knowledge and roles in protecting biodiversity and the natural resource base Positive synergies between relevant activities.
2 Improved agricultural technologies and effective production services	Environmentally friendly technologies (water, soil conservation, energy, etc.) including Indigenous Technologies Training and extension, Environmental Awareness / Education Organic Farming Improved management of indigenous locally adapted plants & animals Judicious use of agrochemicals Innovation in agriculture
3 A broad range of financial services	Capacity building of MFI and financial institutions Environmental screening of activities (including list of unsustainable practices) Environmental performance, impact of microfinance institutions Rewards for Environmental Services
4 Transparent and competitive markets for agricultural inputs and produce	Strengthen capacity on good agricultural and manufacturing practices (i.e. EUGAP) Improved markets for Indigenous products (indigenous grains, wild honey) Promote clean technologies
5 Opportunities for rural off-farm employment and enterprise development	Mitigate cumulative adverse impacts (exploitation of raw materials) Mitigate environmental pollution (soils, water, etc.) Occupational safety and health risks Tailor skills and vocational training on environmental issues for different target groups Off-farm activities
6 Local and national policy and programming processes	Use of analytical tools such as Strategic Environmental Assessments and Country Environmental Assessments in development of PPPs Establish positive synergies with relevant frameworks (NAPs, NAPAs, NEAPs, PRSPs etc) Focus on the community and municipal levels Influence policy reform on natural resources
7 Emerging issues	Climate change Alternate energy including bio-energy Genetically Modified Organisms (GMOs) Disaster mitigation (Drought, Desertification & Floods) Risk and vulnerability assessments Food crisis – agricultural productivity/production Synergies with Multilateral Environmental Agreements

Chapter 1. Environmental and Social Assessment Procedures

A. Introduction

1. In order to make Environmental and Social Values and Principles (Box 1) fully operational within the context of IFAD's mandate, the Fund applies its Environmental and Social Assessment Procedures to formalize the integration of environmental and social issues in its rural development initiatives. Mainstreaming Strategic Environmental Assessments (SEAs) and ESAs in IFAD's operations will provide information and analysis that strengthen the environmental and social dimensions of policies, plans and programmes and minimize or avoid negative environmental impacts. This will increase the consistency, transparency and accountability in decision-making concerning the environmental and social dimension of IFAD's policies, plans, programmes and projects (see Figure 1).

Figure 1
Mainstreaming environmental and social considerations in IFAD



(Source: adapted from OECD, 2006).

B. Purpose of mainstreaming ESA

2. The purpose of mainstreaming ESA throughout IFAD's operations is to ensure that: (i) interventions incorporate principles of environmental sustainability and maximize opportunities and enhance poor rural livelihoods, and (ii) environmental and social considerations are integrated in a timely fashion when necessary. Mainstreaming ESAs in IFAD's operations will provide information and analysis that strengthen the environmental and social dimensions of policies, plans and programmes and minimize or avoid negative environmental impacts.

3. Through the adoption of SEAs, key environmental issues will be appropriately addressed at the earliest stages of decision-making and included in the development of IFAD policies, Results Based-COSOPs and programmes (see Chapter II). This will create an overall environmental management framework within which specific programme/project proposals can be assessed using the ESA tool (see Table 3).

Table 3.
The Use of ESA and SEA

Environmental and Social Assessment (ESA)	Strategic Environmental Assessment (SEA)
Is reactive to a development proposal	Is pro-active and informs development proposals
Is used to assess the effect of a proposed development on the environmental and socio-economic conditions	Is used to assess the effect of the existing environmental and socio-economic conditions on development opportunities and constraints
Relates to a specific programme/project	Relates to areas, regions or sectors of development
Enables the identification of programme/project-specific impacts	Enables the development of a framework against which positive and negative impacts can be measured
Has a well defined beginning and an end and focuses on informing a specific decision at a particular point in time	Is a process aimed at the development of a sustainability framework to inform continuous decision-making over a period of time
Is focused on the mitigation of negative impacts and the enhancement of positive impacts	Is focused on maintaining a chosen level of environmental quality and socio-economic conditions (e.g. through the identification of sustainability objectives and limits of acceptable change)
Has a narrow perspective and includes a high level of detail	Has a wide perspective and includes a low level of details to provide a vision and overall framework
Limited review of cumulative impacts, often limited to phases of a specific programme/ project	Inherently incorporates consideration of cumulative impacts

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

4. The use of ESAs will identify and address programme/project-specific environmental and social issues, informed by the considerations raised in the SEA, and incorporate appropriate preventive actions and/or mitigation measures into programme/project design.

5. It is expected that mainstreaming ESA principles in IFAD operations will ensure that Country Programme Management Teams (CPMTs) continue to address environmental and social considerations as an integral part of their work and that they will seize opportunities for assisting the rural poor to manage their natural resources in a sustainable manner to reduce rural poverty and hunger and enhance rural livelihoods.

6. IFAD's approach with respect to mainstreaming ESA principles may be subject to further modifications by the AP/PD and supplementary guidelines; further Operational Statements to guide the ESA process may also be issued.

C. General ESA provisions

ESA Responsibility

7. Any ESA required during programme/project design is the responsibility of the borrower country, as is the case for programme/project preparation in general. Any ESA deemed necessary during the implementation phase is also the responsibility of the borrower. In both cases IFAD will support the process to ensure that both IFAD and borrower ESA requirements are met.

Financing of Environmental and Social Assessments

8. The costs of ESA studies undertaken during the preparation of RB-COSOPs and programmes/projects will be part of the Programme Development Financing Facility

(as laid out in EB 2001/74/R.7/Rev.1-and any subsequent amendment to this document that may take place). For studies undertaken during implementation, the associated costs are to be included in the loan provision including any additional cost of ensuring full community participation.

Projects initiated by co-financing institutions

9. For projects initiated by co-financing institutions, such as IBRD, ADB, AfDB and IADB, the respective environmental and social safeguards/procedures of the initiating institution will take precedence over the IFAD ESA procedures described below. In these cases: (i) the initiating institution will support the ESA process and ensure that borrower requirements are met; and (ii) fulfilment of the initiating co-financer's ESA requirements will be deemed, in principle, to satisfy IFAD's ESA requirements. Unless otherwise specified, the initiating institution will support the borrower in ensuring environmental due diligence throughout the project cycle.

Consultation in the ESA process

10. In conformity with IFAD's emphasis on participation in programme/project design and implementation, full consultation with the programme/project stakeholders, including beneficiaries, affected populations (especially the marginalized poor), representative non-governmental and community-based organizations and other interested parties, will continue to be sought on environmental/natural resource management issues during the respective programme/project cycle. To ensure active and useful participation, IFAD will also continue to support capacity building of communities and the public with emphasis on critical issues such as Poverty and Environment Biodiversity Loss, Climate Change and Desertification. Community participation should be an integral part of the planned RB-COSOP and project stakeholder consultation process as much as possible.

Disclosure of documentation related to ESA process

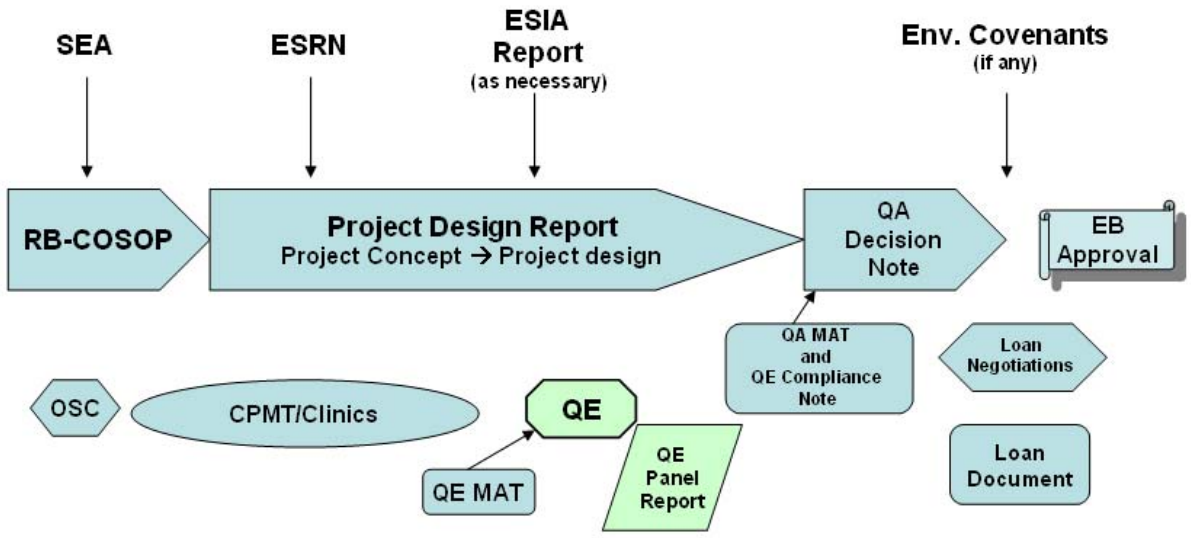
11. The sharing of reports with programme/project stakeholders and other interested parties resulting from IFAD's ESA process will be subject to the same procedures that currently apply to the distribution of IFAD's Project Design Reports. In line with IFAD's Disclosure Policy (EB 2006/89/R.5/Rev.1), ESA reports will be made available upon request to stakeholders and other interested parties, subject to agreement by borrowing member countries.

D. Incorporation of ESA into IFAD's Quality Enhancement (QE) process

12. IFAD's ESA process is fully incorporated into the Quality Enhancement process (PB/2008/01 'Guidelines for project design, for internal project review and for quality assurance'). Country Programme Management Teams and particularly CPMs are assigned the central role of overseeing the ESA process and implementing the ESA procedures with respect to their programme/project proposals. The steps in the ESA process may be merged and not all projects will be subject to all steps. Furthermore, the intensity of action required at each step will depend on the nature of the project.

13. The mainstreaming of the ESA process into IFAD's Quality Enhancement process can be represented schematically in Figure 2.

Figure 2.
Quality Enhancement Process: Flow Chart Design Stages



(i) The Maturity Assessment Template (MAT) provides a robust indicator of quality at entry (environment and social safeguard issues are incorporated in Key Success Factors 3 and 5).

(ii) Each successive MAT should focus on how maturity of design has evolved.

(iii) Specific environmental risks for implementation, including Borrower responsibility for due diligence, to be resolved at loan negotiations.

(iv) Both ESRN and ESIA reports are part of the Project Life File.

Table 4.
ESA Process Mainstreamed in the Project Cycle

Project Stage	ESA Document requirements	Reference	Purpose	Main contents	Responsibility
Pre-lending phase	SEA, if considered necessary	RB-COSOP (contains pipeline with indicatively three proposals) Project Life File	- Integrate environmental considerations into policy and planning, evaluate the inter-linkages with economic/social considerations	Strategic priorities to enhance institutional capacity on NRM	CPMT/STA Environment
Project Concept (within the COSOP or Inception Memorandum/ Concept Note for countries without a COSOP)	Preliminary ESRN	RB-COSOP Mission report Concept Note Project Life File	- Collect environmental information on proposed activities - Preliminary categorization	Govt policies, institutions addressing environment, Country's environmental regulatory framework, main site characteristics, major environmental concerns. Linked poverty and environment indicators.	CPMT/CPM
Project Design (Early design stage)	ESRN	PDR Mission report Project Life File	- Confirm environmental category - Identify magnitude and detail likely environmental and social impacts, propose alternatives, preventive actions, mitigation measures and any design changes required	Project description, issues in natural resources management, potential social and environmental impacts and risks, Recommended features of project design to improve NRM and mitigate environmental concerns, Monitoring aspects, components (if any) requiring ESA, justification of category assigned.	CPMT/STA Environment
Project Design (Final design stage)	ESRN ESIA report, if Category A)	PDR Project Life File	- Integrate design changes and environmental management plans, if any, into the Project Design Report	Description of Env/NRM-related activities in the project, description of modifications to project design, environmental management plan details, monitoring and evaluation, conditions to loan agreement, outstanding risks.	CPMT/RD
Implementation	Analysis of env. issues in supervision reports	Project Supervision reports Project Life File	- Supervise implementation of activities specified in ESRN (Cat. B) or in ESIA (Cat. A)	Analysis of environmental impacts, performance of the environmental monitoring plan according to objectively verifiable indicators	CPMT/co-financiers
Completion/Evaluation	Ex post facto ESIA for Cat. A projects	Completion Reports, Evaluation Reports Project Life File	- Evaluate completion of the activities specified in the ESRN (Cat. B) or in the ESIA (Cat. A)	Evaluation of project environmental outcomes, results of the environmental monitoring according to objectively verifiable indicators	CPMT/ co-financiers

E. Environmental and Social Assessment: Project and Programmes

14. The basic steps of IFAD's ESA process are summarized in Box 2 below. These steps are described in the text that follows.

Box 2.
The ESA Process

- Environmental Screening and Scoping (ESS)
- Environmental and Social Impact Assessment (ESIA)
- ESIA Review and Recommendations
- Loan Negotiation
- Board Approval
- Project Supervision
- Project Completion and ex post facto ESIA

Environmental Screening and Scoping

15. The first step in the process is the environmental screening and scoping (ESS) exercise. It is undertaken for all IFAD loan operations (programmes and projects) entering the pipeline. The purpose is to identify the main environmental and social issues associated with the programme/project proposal and define environmental assessment or analysis needs critical for enhancing quality of project design and implementation. It should draw on and be informed by the environmental issues raised in the SEA's findings, as reflected in the RB-COSOP. It culminates in the Environmental and Social Review Note (ESRN), which is part of the Project Life File. Relevant information is summarized under and KSF 5 of the MAT. Preparation of the ESRN is the responsibility of the Country Programme Management Team (CPMT), under the leadership of the CPM.

16. The ESRN should contain the following:

(a) A preliminary overview of the principal environmental/NRM and social issues in the programme/project area and identification of any significant environmental/NRM impacts and social concerns likely to be associated with the programme/projects (clearly indicating any community concerns).

(b) Justification for the environmental category (A, B, C) to which the programme/project proposal is assigned on a preliminary basis, with references also to country social and environmental policy, legislation and institutions, as well as the ESA requirements of any co-financer. For programmes/projects initiated by the co-financer, this includes a description of the ESA requirements of the co-financing agency and the extent to which its ESA procedures satisfy IFAD requirements.

(c) Specific requirements for future project processing, including: (i) preliminary indications of the scope of the ESA likely to be required during formulation for Category A project proposals, or the type of environmental analysis required for Category B proposals; (ii) any consultation requirements on the environmental dimensions of the project proposal (and if available, views of interested parties on the environmental dimensions of the proposal); and (iii) budgetary requirements.

17. To ensure an integrated approach to environmental management, relevant Guidance/Learning Notes and diagnostic studies should be consulted. The outline and required information for the ESRN is provided in Annex 1.1.

18. The ESRN assigns the programme/project proposal to one of three categories (A, B, or C) according to the likely significance of environmental and social concerns in

relation to criteria laid out in section 1.6 ("Criteria for Project Categorisation"). The three categories are:

(a) **Category A**: The programme/project may have significant environmental and social implications that are sensitive, adverse, irreversible or unprecedented and affect an area broader than the sites or facilities subject to physical interventions. A formal ESIA is likely to be required for the whole programme/project or one or more components.

(b) **Category B**: The project may have some environmental and social impacts on human populations or environmentally significant areas but which are site-specific and less adverse than Category A. While no formal ESIA is required, environmental analysis will be undertaken in the course of project implementation.

(c) **Category C**: The project will have negligible environmental and social implications – no further environmental analysis is specifically required.

19. The rationale for the decision and the assigned classification are included in the ESRN. The Technical Advisory Division provides a technical judgment on the ESRN and the final rating of the programme/project rests with the QE Panel.

20. For programmes/projects classified as **Category A**, a formal environmental and social impact assessment (ESIA) is required (see below). For those classified as **Category B**, satisfactory incorporation of mitigation measures in the design as specified in the ESRN, fulfills the ESA requirement for the programme/project. For those classified as **Category C**, no specific action is required.

21. Compliance with the ESRN is ascertained in the Reviewers' Recommendation Note and in the QE Panel Report in the context of the formal QE review. The Maturity Assessment Template (MAT) should contain a brief section describing the quality of the ESS (KSF 5).

Environmental and Social Impact Assessment (ESIA)

22. The second step, in the ESA process involves an ESIA, which must be carried out for all programmes/projects classified as **Category A**. In some cases a specific study may be required for some components of Category B projects as identified in the ESRN.

23. Generic requirements for the ESIA are given in Annex 1.2. The precise nature of the assessment to be undertaken, however, will depend primarily on the nature and scale of the issues to be addressed (see Annex 1.3 for a proposed outline of the ESIA report). Ultimately, it is important that the assessment focus on the issues identified as significant in the ESRN (consult the relevant Operational Statements/Learning Notes).

24. The ESIA is undertaken as early as possible and completed well in advance of the project formulation phase so that its results can be fully reflected in the final Project Design Report. Unless otherwise decided by AP/PD, the study should be completed and cleared before project approval. It is the responsibility of the CPM to ensure that the ESIA is undertaken in a manner that meets the requirements of both IFAD and the borrower (see Annex 1.4 for sample terms of reference for an ESIA). ESIA reports are cleared by the relevant Regional Director after technical judgment has been provided by the Environment/NRM Senior Technical Advisor.

25. Compliance with ESIA procedures is ascertained in the Reviewers' Recommendation Note and in the QE Panel Report in the context of the formal QE review. Findings of the ESIA should be reflected in the Maturity Assessment Template (MAT).

ESIA Review and Recommendations

26. The third step in the ESA process is review of the ESIA and incorporation of its recommendations into the project design documentation. For all **Category A**

projects, the Appraisal Mission must review the findings and recommendations of the ESIA Report, including any outstanding issues identified by the QE Panel (see Annex 1.5 for questions to be answered in the technical review of the ESIA), and discuss these with Government and all interested parties, especially affected rural communities. The CPM in conjunction with the Country Programme Management Team will ensure that the recommendations have been adequately addressed in the final Project Design Report. This may include alterations to the project design, incorporation of additional preventive actions and/or mitigation measures, suggested loan covenants, supervision requirements, necessary institutional capacity building for environmental management, and any specific monitoring and evaluation requirements. The ESIA Report is part of the Project Life File. The MAT should also summarize these issues.

Loan Negotiations

27. The fourth step in the ESA process involves negotiation of the loan agreement for the project, which takes place between IFAD and the Government. To ensure proper environmental management under the project, the Loan Document may include Environmental Clauses/Covenants specifying the environmental/NRM actions the Government commits to taking in the context of the implementation phase, as necessary.

Board Approval

28. The fifth step in the ESA process involves review and approval of project documentation by IFAD's Executive Board. The Executive Board reviews the President's Report and Recommendations on the project proposal. For **Category A** projects, the final ESIA report is made available to the Board on request. In cases where the Executive Board raises specific environment-related concerns that have not been addressed adequately, both the President's Report and the Project Design Report should be revised to take these issues into account.

Project Supervision

29. The sixth and critical step in the ESA process is supervision of project implementation to ensure that recommended environmental actions/measures are effectively addressed. For both **Category A** and **Category B** projects, the Regional Director has the responsibility to ensure that project supervision (including the cooperating institution) takes due account of any environmental provisions contained in the Project Design Report. In the event that serious environmental issues/risks arise during project implementation, the Regional Division must ensure that appropriate ameliorative action is undertaken especially if it has any serious implications for the livelihoods of the rural poor.

Project Completion and ex post facto ESIA

30. The seventh and final step in the ESA process is project completion reporting and ex post facto evaluation of project environmental and social impacts. Completion-related reports of all projects should provide a specific analysis of the impact of environmental and social issues arising from project implementation. The analysis should take special note of views expressed by rural beneficiaries.

31. For **Category A** projects, an ex post facto ESIA may be undertaken as part of the Completion Evaluation, as appropriate. Such an exercise will evaluate project environmental impacts, the adequacy of the ESIA, and the effectiveness of any preventive actions and/or mitigation measures included in project design. The evaluation exercise should include extensive community consultations.

F. Criteria for Project Categorization

Criteria

32. **Category A** projects are those likely to have significant impacts (environmental and social), which may be sensitive, irreversible, diverse, comprehensive, broad, sector-wide or precedent-setting. The impacts of **Category B** projects are less

significant and not as adverse as those of **Category A**. Few, if any, of these impacts are irreversible, and remedial measures can be easily designed. If a **Category C** project has any impacts at all, they are negligible. In practice, the selection of the environmental category depends on the type and scale of the project, the characteristics of the project location and sensitivity of environmental issues, and the significance of potential impacts.

Project Type and Scale

33. Projects supporting/inducing the following activities would normally be considered for classification as **Category A** (although this will depend on the location and magnitude of impacts):

- Construction or rehabilitation of rural roads in "sensitive areas";
- Conversion of significant areas of natural forests or other wild lands;
- Loss of natural habitat and loss of biodiversity or environmental services provided by a natural ecosystem;
- Wetland development, including small-scale water control;
- Groundwater-based development where there is reason to believe that depletion may occur from the effects of climate change;
- Fisheries development in situations where little information exists on sustainable yield;
- Significant increased use of agrochemicals.

34. In addition, although not currently financed by IFAD, the projects supporting/inducing the following would be considered **Category A**:

- Involuntary displacement or Resettlement of human populations;
- Large-scale dam/reservoir construction;
- Large-scale irrigation schemes;
- Forestry production;
- Industrial plants (other than small-scale artisanal production); and manufacture and transportation of hazardous and toxic materials.

35. Projects supporting/inducing the following activities would be considered for classification as **Category B**:

- Construction or rehabilitation of rural roads in "non-sensitive areas";
- Small-scale irrigation and drainage projects (except in wetlands);
- Agricultural intensification and/or expansion of cropping area in "non-sensitive areas";
- Rangeland and livestock development;
- Artisanal fisheries where there is information on sustainable yield;
- Aquaculture and mariculture;
- Watershed management;
- Large-scale soil/water conservation measures;
- Small and micro enterprise development projects[8];
- Projects involving credit operations through financial intermediaries[9]; including credit for pesticide/other agrochemicals, livestock purchasing, irrigation, drainage, etc.,

[8] This is based on the process used by the World Bank, Operational Policies 4.01 January 1999 (updated March 2007).

- Natural resources-based value chain development.

36. **Category C** projects generally do not require additional environmental analysis because the activities have negligible or minimal adverse environmental impacts:

- Technical assistance grants for agricultural research and training;
- Grants to generate global environmental impacts;
- GEF activities;
- Research;
- Extension;
- Health;
- Nutrition;
- Education;
- Institutional building.

Project Location

37. The selection of an environmental category will depend substantially on the project setting, as the "significance" of potential impacts is partly a function of the natural and socio-cultural surroundings. This is particularly true for IFAD, which tends to finance a large number of projects in marginal and ecologically fragile areas. "Sensitive areas" include areas such as: protected areas (national parks, wildlife/nature reserves, biosphere reserves); areas of global significance for biodiversity conservation; natural forests; wetlands; coastal ecosystems, including coral reefs and mangrove swamps; small island ecosystems; areas managed by indigenous peoples and other traditional societies; areas most vulnerable to climate change and variability; and lands highly susceptible to landslides, erosion and other forms of land degradation[10]. Projects located in such "sensitive areas" may be considered for **Category A** classification and should involve extensive community consultations because of their potentially serious negative impacts on the livelihoods of the rural poor.

Magnitude of Impacts

38. There are a number of ways in which magnitude 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, the intensity of the impact and its timing and duration. In addition, the probability of occurrence for a specific impact and the cumulative impact of the proposed action and other planned or ongoing actions should be considered. For example, conversion of 50 hectares of wetlands differs markedly in significance depending on its size relative to the total area of wetlands in the country or region. In addition, impact can also be measured in social terms – by the number of rural communities or villages (including livelihoods) affected positively and negatively by a proposed project (in areas which support multiple livelihoods, an intervention which might benefit a large number of crop producers might lead to a smaller number of livestock herders, fishermen, hunters, etc. losing their livelihoods).

39. Other current and proposed development activities within the project area, spontaneous activities spurred by a project (e.g. migration of people into or increased charcoal production in an area opened by a road project), and externalities beyond the project boundary must be taken into account. Such

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

[10] May include arid and semi-arid areas.

cumulative or induced impacts may sometimes be the primary determinant of the appropriate level of environmental analysis.

40. For community, demand-driven projects, it may be difficult to pre-determine the potential adverse impacts until project implementation. Though, the magnitude of impacts would depend on the scale of such activities, nonetheless, a cautious approach to the concern of cumulative impacts is considered essential. In such cases, the necessary environmental analysis and associated budget should be incorporated into project design. Such projects may be considered for **Category B**.

Annex 1.1
Environment/Natural Resource Management Environmental and Social Review Note - ESRN (Outline)

1. The ESRN is normally completed on the basis of a field visit and consultations with stakeholders. For this reason, the environmental screening and scoping (ESS) exercise of each project component should be undertaken by the Mission members while in-country in order to allow for such data collection to inform project design. The results are normally made available as part of the preliminary report of project design. The ESRN should follow the outline contained Box 3 below.

Box 3. Outline of the ESRN

Title of Programme/Project:

Although the outline refers to projects, it can also be used for programmes. This outline provides a number of possible topics to assist design teams to develop ESRNs. Thus the sections included herein should be completed only when applicable.

1. Brief description of Programme/Project and components (1 page maximum)
Make cross-reference to the relevant sections of the design document and annexes (information should be in relation to the environmental and social issues raised by the programme/project).

2. Major site characteristics (1 page maximum)
Describe the existing socio-cultural context (poverty, gender issues, vulnerability, migration patterns, etc.) and those types of land and water aspects that characterize the area. Include whether any of these represent untapped social and environmental impacts and opportunities or might be a determinant in the design and delivery of results/impacts of the intervention. Include information on climate, prediction of impact, vulnerability, and how it relates to specific types of farming systems.

3. Issues in Natural Resources Management (1 page maximum)
Mention three to five environmental/social issues that are of key importance in the area. For example, there is ongoing land degradation/desertification, the grazing area potential is smaller than present carrying capacities, or the area is prone to the effects of climate change and variability, such as droughts or floods. Topics to consider also include quality of life of the local population, health concerns such as HIV/AIDS, resettlement issues, land tenure rights and conflicts over use of resources, transboundary issues, fragile or degraded ecosystems, natural resource management productivity and practice, vulnerability to climate change and variability, any past climate change impacts, institutional capacity and the role of children and women, level of environmental awareness, and opportunities to enhance natural resource management; identify environmental and social opportunities. Consultation with local communities, especially the marginalised poor, and other key stakeholders will improve the accuracy of this section.

4. Potential social and environmental impacts and risks (1 page maximum)
Identify the key potential impacts (positive, negative, cumulative, externalities) that implementation of the interventions may have on the social and natural environment. Describe how the interventions will address them in an integrated manner. If the project is on agricultural development, for example, indicate whether soil and water conservation, appropriate selection of crops and agrochemicals, associated public health concerns (i.e. HIV/AIDS) and community environmental education, advisory and extension services have been envisaged.

5. Environmental category (1/2 page maximum)
Provide the justification/rationale for the environmental category designated (with reference to the country's environmental policies, ratification of relevant conventions, MEAs11, relevant ministries and agencies, country environmental legislation, relevant national strategic frameworks, and any specific ESA requirements of potential co-financiers). Any enforcement mechanisms or institutional capacities to achieve appropriate environmental management and promote sustainable development should be discussed, if not previously done under 3 above.

6. Further information required to complete screening and scoping, if any. (1/2 page maximum)
Highlight additional information or studies needed to take better advantage of the opportunities offered by the environmental and social context to: (i) influence the necessary changes in project design (technologies, objectives etc); and (ii) eliminate or mitigate the environmental and/or social concerns, including risks that the intervention may create.

7. Recommended features of project design and implementation to improve NRM and mitigate environmental concerns (1 to 2 pages maximum)
Introduce changes and/or measures to the design to eliminate or reduce potential adverse environmental and social impacts, or make better use of opportunities12 and synergies/complementarities between relevant national frameworks/environmental

[11] UNFCC, CBD, UNCCD, RAMSAR, CITES, etc.

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

conventions/key actors. Explore opportunities to promote green procurement. Identify a range of dis/incentives as tangible benefits for relinquishing unsustainable practises (farming, processing etc.). Discuss the various alternatives including environmental objectives and reasons for choosing the best option. Identify mitigation/adaptation measures to reduce vulnerability and risks of climate change and variability. Identify suitable participatory approaches/tools to draw on local understanding of local problems and potential solutions. For example, if addressing adaptation planning, introduce use of climate risk maps, local resource maps, community timeline history, focus group meeting etc. for the planning of village development plans, as necessary. Identify areas of conflict between key actors and over use of resources and include suitable measures (financial and non financial incentives, empowerment mechanisms, etc.) that will allow achievement of environmental objectives. For example, if the proposed activity will introduce irrigation, relocate people or promote the use of agrochemicals, the local environment will be affected. The strategy, in this case, will help to design an environmental management plan with specific targets to address salinisation, water pollution, fair compensation, integrated pest management and build the necessary institutional capacities[13] with clearly defined responsibilities. Analyse the environmental decision-making chain of command to also include other sectors that are key actors in environmental management. Identify who would be responsible for the various activities. Identify community environmental education and training needs. Identify the potential of linking the loan to relevant Grant(s) for enhanced impact.

8. Monitoring aspects (1/2 page maximum)
Describe how participatory environmental monitoring will be ensured and provide specific indicators with special emphasis on the linkage between poverty and environment. Identify community and other stakeholder capacity building needs, supported by effective information, education and communication activities. Incorporate measures for reporting on significant health and safety incidents, as necessary. As the activities will be incorporated into the various project and programme components, monitoring should be aligned to the project M & E system.

9. Components (if any) requiring ESA and scope of assessment needed (elements of TOR for ESA) (1/2 page maximum)
Provide estimated budgetary requirements (see 6 above).

10. Record of consultations with beneficiaries, civil society, general public etc. (1/2 page maximum)
Specify details of consultations with marginalised poor sections of the communities.

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

Annex 1.2
Formal Environmental and Social Impact Assessment (ESIA)

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

   (a) a process which enables both environmental and social issues to be taken into account during all stages of programme/project design and implementation;

   (b) a formal procedure for providing environmental and social information for decision makers who authorise the programme/project; and

   (c) a study which identifies, predicts and evaluates the potential environmental and social impacts of programmes/projects in a systematic and objective way, recommends appropriate preventive actions and mitigating measures, and maximises environmental opportunities. The results of the ESIA study are presented in the form of a report, often called an Environmental and Social Impact Statement (ESIS).

2. While EIA/ESIA legislation differs among countries, the general process involves a standard sequence of steps (e.g. US NEPA, EIA Directive of EEC). The characteristics of good ESIA are presented in the Box 4 below.

Box 4. Characteristics of a Good ESIA

A good ESIA:

(i) starts early in project development and completed prior to end of formulation phase;

(ii) identifies data requirements and focuses on the significant environmental and social issues;

(iii) involves key stakeholders and affected people at the outset of the process in a meaningful fashion;

(iv) provides information for decision-making in a clear and usable manner, taking into account the views and concerns of affected parties, local communities, and relevant agencies;

(v) recommends feasible changes in design and implementation which are both sustainable and cost-effective, while enhancing the livelihoods of the rural poor and reducing rural poverty.

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

A. PRE-ESIA
   (i) Submission of proposal[14]
   (ii) Screening (screening phase one)[15]
   (iii) Preliminary assessment (screening phase two)[16]
   (iv) Organization of study[17]
   (v) Scoping[18]

[14] Submission of proposal to the competent authority, generally the environmental authority or responsible government ministry initiates the ESIA process.

[15] **Project screening** determines whether the project requires an ESIA or some subsidiary form of environmental investigation. This form of screening generally relies on mechanistic application of lists or simple criteria or checklists (see criteria in Chapter II above and attached Operational Statements). Depending on the outcome of this screening stage, the proposal may or not have to go through the next stage of the ESIA process.

[16] **Preliminary Assessment.** Sometimes referred to as an Initial Environmental Examination (IEE), the preliminary assessment consists of a first attempt to characterize the environmental impacts of a project proposal. It acts as a further screening mechanism for determining whether an ESIA is required or whether some subsidiary form of environmental investigation would suffice. Further information from the project proponent may be requested by the Technical Advisory Division or the competent body.

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

B. ESIA STUDY[19]

(i) Describe proposed actions and their goals
(ii) Identify potential impacts (environmental and social, positive and negative)
(iii) Describe alternatives considered[20]
(iv) Predict impacts, including direct, indirect, reversible, irreversible, and cumulative effects
(v) Evaluate significance of impacts, and comparison of alternatives
(vi) Identify appropriate preventive actions and/or mitigation measures to eliminate, reduce or mitigate negative impacts
(vii) Prepare an environmental management plan
(viii) Design an environmental monitoring and evaluation program
(ix) Design a capacity-building program for strengthening programme/project environmental management
(x) Present results (ESIS)

C. POST-ESIA STUDY

(i) Review of the study, including public participation/ consultation[21]
(ii) Decision-making (should project proceed or not; should project design and implication be modified)[22]
(iii) Implementation of the environmental management plan
(iv) Post-study audit, as necessary[23]

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

---

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

[19] **The ESIA Study** is the centrepiece of the ESIA process. It is generally the responsibility of the development proponent. The ESIA study culminates in the preparation of an Environmental and Social Impact Statement (ESIS). The ESIS will outline the major impacts and possible mitigation measures as well as alternatives to the proposal. The ESIS forms the basis for the review and decision-making steps outlined below.

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

[21] **Review of the Study.** At this stage the ESIA report is reviewed to ensure that it provides the necessary information for decision-making. Depending on the legislative or procedural context, review may entail scrutinization by an independent body or the environmental authority in charge of the ESIA process. There may also be provisions for public review and comment. The review stage may result in revisions being made to the ESIA before it is submitted to the decision-making authority.

[22] **Decision-Making.** The ESIA report is submitted to **the Technical Advisory Division** or other competent decision-making authority. In some jurisdictions, the ESIA report may be attached to some statutory Government decision on the project. Conditions for accepting the proposal are decided upon based on the recommendations of the ESIA.

[23] **Post-Study Audit**. The ESIA process does not always end with the presentation of the ESIA report and the decision to go ahead with the project or a modified version of the project. A “post-audit” may be carried out to ascertain whether the provisions contained in the ESIA study were adhered to or whether the predictions contained in the ESIA study were accurate.

Annex 1.3
Recommended Format for ESIA Reports

1. The ESIA should focus on the significant environmental and social issues identified by the environmental screening and scoping (ESS) exercises. The ESIA statement/report should be concise; the level of detail and sophistication being commensurate with the potential impacts identified in the ESS Note. The target audience should include project designers, implementing agencies, borrowers, affected populations and IFAD staff. The statement/report submitted to IFAD should be prepared in any of the UN official languages. The ESIA statement/report should include the following items (see Box 5 below):

Box 5. Outline of ESIA Report

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

Introduction. Rationale for ESIA, based on ESS exercise. Concise discussion of significant findings and recommended actions.

Policy, legal, and Administrative Framework. Discussion of the policy, legal, and administrative framework within which the ESIA is prepared. The environmental requirements of the country and of any co-financiers should be explained.

Project Description. Concise description of the project and its geographical, ecological, social, and temporal context, with particular emphasis on specific project components which are the subject of the ESIA in line with the Environmental and Social Screening and Scoping exercise.

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

Socio-economic Impacts. Assessment of positive and negative social and economic impacts likely to result from the proposed project or project component. Specific attention should be given to gender dimensions and vulnerability to risks/effects of climate change and variability. The extent of public participation, public health concerns (i.e. HIV/AIDS) especially the involvement of marginalized poor communities in project design and implementation should also be assessed.

Environmental Impacts. Identification and assessment of the positive and negative impacts likely to result from the proposed project or project component. (Preventive actions and/or mitigation measures, and any residual negative impacts that cannot be mitigated should be identified). Opportunities for environmental enhancement, including promotion of global environmental benefits, should be explored. The extent and quality of available data, key data gaps, and uncertainties associated with predictions should be identified/estimated. Topics that do not require further attention should be specified.

Analysis of Alternatives. Systematic comparison of the proposed investment and design, site, technology, and operational alternatives in terms of their potential environmental and social impacts; capital and recurrent costs; suitability under local conditions; and institutional, training, and monitoring requirements. For each of the alternatives, the environmental costs and benefits should be quantified to the extent possible, and economic values should be attached where feasible -attention should be given to cost-effectiveness. The basis for the selection of the alternative proposed for the project design must be stated.

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

Institutional Aspects. Assessment of the existence, role, capacity and capability of formal and informal institutions for natural resources management, including official environmental units on-site (at the agency and ministry level), and informal and community-level institutions. Explore opportunities for policy dialogue/reform and green procurement. Based on these findings, recommendations should be made concerning the strengthening, establishment and/or expansion of such units, and the training tailored to the identified target groups, to the point that ESIA recommendations can be implemented.

Environmental Management Plan. Identification of the preventive actions and/or mitigation measures recommended to eliminate, reduce or mitigate the potential adverse environmental and social impacts of the programme/project, as well as the responsible parties for implementing such actions/measures, the estimated costs involved, poverty-environment indicators, etc.

Environmental Monitoring Plan. Specification of the type of monitoring (i.e., early warning systems, participatory,

environmental quality, implementation of environmental measures), who would do it, how much it would cost, and what other inputs (e.g. personnel, training, GIS, field and/or laboratory equipment, supervision arrangements) are necessary.

Appendices

- Composition of ESIA mission – individual(s) and organizations.
- References – written materials used in study preparation. This list is especially important given the large amount of unpublished documentation often used.
- Record of Consultations – The record of consultations for obtaining the informed views of the affected people and local NGOs should be included. The record should specific any means other than consultations that were used to obtain the views of affected groups and local NGOs. (List community individuals and organizations consulted.)

Annex 1.4
Sample Terms of Reference for Environmental and Social Impact Assessment (to be tailored based on the ESRN)

1. Sample Terms of Reference (TOR) of the ESIA are shown in Box 6 below.

Box 6. Sample TOR for the ESIA

Introduction and Background

Introduction. This section, drawing on the ESRN, should state the purpose of the terms of reference (TOR), identify the development project to be assessed, and explain the executing arrangements for the environmental assessment.

Background Information. Pertinent background information for potential parties who may conduct the environmental assessment, whether they are consultants or government agencies, would include a brief description of the major components of the proposed project, a statement of the need for it and the objectives it is intended to meet, the implementing agency, a brief history of the project (including alternatives considered), its current status and timetable, and the identities of any associated projects. If there are other projects in progress or planned within the region which may compete for the same resources, they should also be identified here.

Objectives, Organisation and Study. This section will summarize the general scope of the environmental and social assessment and discuss its timing in relation to the processes of project preparation, design, and execution.

Environmental and Social Assessment Requirements. This paragraph should identify any regulations and guidelines which will govern the conduct of the assessment or specify the content of its report. They may include any or all of the following:

IFAD's Procedures for Environmental Management and Sustainable Development

National, regional, provincial or communal laws and/or regulations on environmental assessment

Reviews and impact assessments;

Environmental and Social assessment regulations of any co-financing organizations involved in the project.

Study Area. Specify the boundaries of the study area for the assessment (e.g. water catchment, agro-ecological zones) and any adjacent or remote areas which should be considered.

Scope of Work

In some cases, the tasks to be carried out by a consultant will be known with sufficient certainty to be specified completely in the TOR. In other cases, information deficiencies will need to be alleviated or specialized field studies or modeling activities performed to assess impacts, and the consultant will be asked to define particular tasks in more detail for contracting agency review and approval. Task 4 below is an example of the latter situation.

Task 1. Description of the Proposed Project. Provide a brief description of the relevant parts of the project, using maps (at appropriate scale) where necessary.

Task 2. Description of the Environment. Assemble, evaluate and present baseline data on the relevant environmental and social characteristics of the study area. Include information on any changes anticipated before the project commences. (Include relevant data only)

- Physical environment; geology; topography; soils; land degradation/desertification, climate trends and prediction of impact, surface and groundwater hydrology; coastal and oceanic parameters; existing air and water pollution; and receiving water quality.
- Biological environment: flora; fauna; rare or endangered species; sensitive habitats, including parks or reserves, significant natural sites, etc.; species of commercial importance; species important for local community livelihoods.
- Socio-cultural environment (include both present and projected where appropriate); population; land use; planned development activities; community structure; adaptation/technical capacities; employment; distribution of income, goods and services; recreation; public health; use of medicinal plants/indigenous medicines; cultural properties; status of Indigenous Technical Knowledge (ITK) of tribal people; and traditional customs, aspirations and attitudes, level of community environmental awareness on issues such as poverty and environment, biodiversity loss, climate change and desertification, extent of community dependence on local natural resources for livelihoods.

Task 3. Legislative and Regulatory Considerations. Describe the pertinent regulations and standards governing environmental quality, health and safety, protection of sensitive areas, protection of endangered species, siting, land use control, etc., at international, national, regional and local levels (the TOR should specify those that are known and require the consultant to investigate for others). Where environmental standards are inadequate, recommendations on how to upgrade them should be proposed.

Task 4. Determination of the Potential Environmental and Social Impacts of the Proposed Project. In this analysis, distinguish between significant positive and negative impacts, direct and indirect impacts, and immediate and long-term impacts. Identify impacts which are unavoidable or irreversible. Wherever possible, describe impacts quantitatively, in terms of environmental and social costs and benefits and specify the valuation method adopted. Assign economic values when feasible. Characterize the extent and quality of available data, explaining significant information deficiencies and any uncertainties associated with predictions of impact (will the interventions result in changes in access to natural resources?). If possible, give the TOR for studies to obtain the missing information. Give special attention to impacts on the livelihoods of rural communities, especially the marginalized poor.

Task 5. Analysis of Alternatives to the Proposed Project. Describe alternatives that were examined in the course of developing the proposed project and identify other alternatives which would achieve the same objectives. The concept of alternatives extends to siting, design, technology selection, and implementation procedures. Compare alternatives in terms of potential environmental and social impacts; capital and operating costs; suitability under local conditions; and institutional, training, and monitoring requirements. When describing the impacts, indicate which are irreversible or unavoidable and which can be mitigated. To the extent possible, quantify the costs and benefits of each alternative, incorporating the estimated costs of any associated mitigating measures. Include the alternative of not constructing the project, in order to demonstrate environmental conditions without it.

Task 6. Development of Recommendations for Adjustments to Project Design. Recommend feasible and cost-effective measures to prevent or reduce significant negative impacts to acceptable levels. Recommend measures for green procurement. Estimate the impacts and costs of those measures, and of the institutional and training requirements to implement them. Consider compensation to affected parties for impacts which cannot be mitigated. Prepare an implementation plan.

Task 7. Development of an Environmental Management Plan

Task 7.1. Identification of Institutional Needs to Implement Environmental and Social Assessment Recommendations. Review the authority and capability of institutions at local, provincial/regional, and national levels to implement the project and proposed changes proposed and recommend steps to strengthen or expand them so that the management and monitoring plans in the environmental and social assessments can be effectively implemented. The recommendations may extend to new laws and regulations, new agencies or agency functions, inter-sectoral arrangements, management procedures and training, environmental education, staffing, operation and maintenance training, budgeting, and financial support. Indicate clear responsibilities, staffing and training requirements. Give full costs and benefits of the proposed changes to project design.

Task 7.2. Development of an Environmental Mitigation Management Plan. Identify the preventive actions and/or mitigation measures recommended to eliminate, reduce or mitigate the potential adverse environmental and social impacts of the programme/project, as well as who will be responsible for implementing such actions/measures, how much they will cost, etc.

Task 7.3. Development of a Monitoring Plan. Prepare a detailed plan to monitor the implementation of mitigating measures and the impacts of the project during construction and operation. Include in the plan an estimate of capital and operating costs and a description of other inputs (such as training and institutional strengthening) needed to carry it out. Provisions should be made for compensation in the event that negative impacts should result from the project or project components. Also include poverty-environment indicators.

Task 8. Assist in Inter-Agency Coordination and Public/NGO Participation. Assist in coordinating the environmental and social assessment with other government agencies, in obtaining the views of local NGOs and affected groups (especially the marginalized poor), and in keeping records of meetings and other activities, communications, and comments and their disposition.

Report

The environmental and social assessment statement/report should be concise and limited to significant environmental and social issues; this should include emerging issues. The main text should focus on findings, conclusions and recommended actions, supported by summaries of the data collected and citations for any references used in interpreting those data. Unpublished documents used in the assessment may not be readily available and should also be assembled in an appendix.

Practical Details

Mission composition. Describe specialists required and specific tasks for each member of the team.

Schedule. Specify dates for progress reviews, interim and final reports, and other significant event.

Other Information. Include here lists of data sources, project background reports and studies, relevant publications, and other items to which the consultant's attention should be directed.

ESIA Report Outline. The ESIA report should follow the following outline:

1. Executive Summary
2. Introduction
3. Policy, Legal and Administrative Framework
4. Description of the Proposed Project
5. Description of the Environment
6. Significant Environmental and Social Impacts
7. Analysis of Alternatives

8. Environmental Management Plan
9. Mitigation Management Plan
10. Monitoring Plan
11. Inter-Agency and Public/NGO Involvement
12. List of References and Consultations
13. Appendices
14. List members of Environmental and Social Assessment Mission
15. Records of Inter-Agency and Public/NGO Communications
16. Follow up of emerging issues
17. Data and Unpublished Reference Documents

Annex 1.5
Technical Review of ESIA

1. The Technical Advisory Division should review the adequacy of the ESIA report, checking especially the questions shown in the Box 7 below.

Box 7. Questions for the Technical Review of ESIA

- Does the ESIA report meet the requirements of the original TOR as specified in the ESS Note?
- Is the Executive Summary adequate with recommendations clearly stated? Decision-makers may read only the summary, therefore it must present the significant impacts (in order of importance), clarifying which are unavoidable and which are irreversible; the measures which can be taken to mitigate them; the cumulative effect of impacts; and the requirements for monitoring and supervision.
- Is the project outline description complete, insofar as the aspects which can affect the environmental management of natural resources and poor rural livelihoods are concerned?
- Is the poverty-environment nexus adequately addressed? Has the issue of vulnerability been adequately covered?
- Are alternatives described and have their costs been evaluated appropriately?
- Is the baseline study section in the main report concise and useful to readers who are not specialists in the scientific disciplines covered? Does the section give an overall picture of present conditions and trends (including climate change predictions), and include ongoing and proposed development activities in the study area? Does it provide comments on the quality of the data and the completeness of the database? Is the baseline study adequate for decision-making?
- Is there consideration of probability in the section in which impacts are predicted and evaluated? Are potential impacts mentioned that were expected a priori but not found? Are significant impacts analyzed in more detail than less significant ones? Is sufficient justification provided for dropping topics from further consideration?
- Do mitigating measures both control adverse impacts and enhance project benefits? Are the institutional arrangements for implementing the measures defined? Are the costs of implementing all its recommendations adequately budgeted in the cost tables?
- Where monitoring programmes are described, are the reasons for and costs of the monitoring activities covered? Is there a description of the institutional arrangements for carrying out the work, evaluating the results, and initiating any necessary action to limit adverse impacts disclosed by monitoring? Have compensatory measures been included?
- Are proposals for institutional strengthening and training adequate?
- Has the consultation process participation (especially the rural poor, indigenous peoples and women) and other statutory requirements been met?
- Is there documentation of community involvement (especially of the marginalized poor), including an overview of the issues raised and their disposition?
- Do the recommendations comply with IFAD's principles and values?
- Where existing databases, planning studies, other EAs, scientific papers, etc., are used as information sources, are the references given and are technical terms defined where they occur?

Chapter 2. Strategic Environmental Assessment (SEA)

A. Introduction

1. During the last decade, several multilateral and bilateral funding agencies, as well as the OECD's Development Assistance Committee, have increasingly promoted the use of Strategic Environmental Assessments (SEAs) to complement project based ESIA[24]. Strategic Environmental Assessment can be defined as "a range of analytical and participatory approaches which aim to integrate environmental considerations into Policies, Plans and Programmes (PPP) and evaluate the inter-linkages with economic and social considerations (OECD 2006)". SEA promotes more sustainable and integrated approaches to sectoral and broader development PPPs by evaluating potential environmental and social impacts upstream of projects and taking into account several development options to reduce environmental risks and promote sustainable development outcomes.

2. The adoption of SEA would be particularly relevant for enhancing the quality of RB-COSOP and in guiding policy dialogue on borrower countries. The implementation of SEA would ensure: (i) the integration of sustainable environment and natural resource management priorities in the decision making processes at the country strategic level (COSOPs); (ii) the identification of unexpected potential impacts and of new opportunities at the initial stages of PPPs, rather than later in the process when choices are limited; (iii) the prevention of costly mistakes by identifying unsustainable development options at the early stages of decision making, thus enhancing the effectiveness of IFAD supported programmes; and (iv) the development of enabling policy frameworks that respond to the needs of rural people through the emphasis given by the SEA process to enhance public participation in the decision making process.

3. By implementing SEA, IFAD would ensure that its approach to environmental assessment is further harmonized with that of the international aid community, as called for by the Paris Declaration on Aid effectiveness, clearly stating that "Development agencies and partner countries jointly commit to…Strengthen the application of EIAs and deepen common procedures for projects, including consultations with stakeholders; and develop and apply common approaches for 'strategic environmental assessments' at the sector and national levels".

4. Generally, the type of SEA carried out is defined by the issues, priorities and needs that are identified in a particular situation. Table 5 below provides the basic principles of SEA. SEAs can generally be divided into "stand alone" processes focusing on the identification and assessment of environmental impacts of specific PPPs or can be integrated into the planning, policy/decision-making processes. In this context SEA needs to link with and, where feasible, reinforce other policy appraisal approaches which shape development policies and programmes. Three such approaches are: (i) poverty and social impact analysis; (ii) risk assessment; and (iii) Country Environmental Analysis (CEA).

5. The process for SEA is tailored to existing circumstances (i.e. legal, procedural, institutional, political factors, etc) and needs for its applications. SEA can be applied in different ways to suit particular needs, i.e.:

   (i) focused on environmental impacts while others integrate all three dimensions of sustainability: environment, social and economic;

   (ii) applied to an existing PPP or providing inputs into developing a PPP so that they address environmental dimensions effectively;

[24] Which are more effective in addressing environmental threats and opportunities of specific projects.

(iii) as an output based activity (i.e. a report), which is a more practical approach providing something tangible for all stakeholders to work with and provide inputs, or as a more continuous process that is integrated within decision making and that strengthens institutional capacity; and

(iv) engaging a broad range of stakeholders or being limited to sector or policy analysis.

Table 5.
Basic Principles for SEA

To help improve policy-dialogue, quality of RB-COSOPs and decision-making, SEA should:

- establish clear objectives;
- be integrated with existing policy and planning structures;
- be flexible, iterative and customized to context;
- analyse the potential effects and risks of the proposed PPP, and its alternatives, against a framework of sustainability objectives, principles and criteria;
- identify environmental and other opportunities and constraints;
- address the linkages and trade-offs between environmental, social and economic considerations;
- involve key stakeholders, especially rural communities wherever possible, and encourage public involvement (particular attention should be given to the participation of women, elderly, marginalized groups, Indigenous People);
- include an effective, preferably independent, quality assurance system;
- be transparent throughout the process, and communicate the results;
- be cost-effective;
- explicitly justify the preferred options identified and the acceptance of significant trade-offs;
- include an effective quality assurance system and monitoring of PPP outputs after completion;
- build capacity for both undertaking and using SEA.

(Source: adapted from OECD, 2006).

6. The adoption of SEA can help to promote the integration of environmental (as well as social and economic) issues in poverty reduction frameworks and country strategies and programmes to ensure the achievement of sustainable development objectives while contributing to poverty reduction (MDG 1) and environmental sustainability (MDG 7). Moreover, SEA implementation will enable the identification of cumulative and large scale impacts of different strategies or proposed PPPs at country level.

7. The following SEA approach draws on practical experience and established "good practice" and points to ways to support the application of SEA in the formulation and assessment of IFAD policies, plans and programmes.

B. SEA in IFAD Operations

8. Increasingly IFAD is shifting its support towards new development co-operation investments such as policy reform and sector-wide support.

9. There is a clear role for SEA in the development of IFAD's Results-Based Country Opportunity Programmes (RB-COSOPs).

10. SEA, in IFAD, should be systematically adopted to address:

(a) environmental sustainability, and the internalization of externalities;

(b) global issues and Multilateral Environmental Agreements, such as biodiversity, desertification and climate change; and

(c) sectoral policies to help in project selection, and improve economic cost benefit analysis.

11. Table 6 below illustrates key features of how SEA can be applied within IFAD's work. The earlier the SEA process begins during the development of these policy documents, the more effective it will be.

Table 6
Key Features of SEA Undertaken in IFAD's Own PPPs

Who does it?	▪ CPMT with the support of the Senior TA for Environment/NRM.
Objectives	▪ To upstream and mainstream environmental considerations in RB-COSOPS and strategic decision-making in order to identify opportunities and manage constraints for effective development processes.
Measures of success	▪ Environmental issues are systematically integrated within RB-COSOPs.
Level of effort and costs	▪ Varies based on country-based information and analytical capacity.
Process/steps/inputs	▪ Identify and analyze relevant environmental and social issues, corresponding positive opportunities and negative aspects, institutional aspects and recommendations/ suggestions as input to RB-COSOPs and IFAD strategies to identify gaps in information.
	▪ Undertake a comprehensive stakeholders' analysis and put in place mechanisms to ensure that stakeholders (especially vulnerable groups) are fully engaged in consultation processes.
	▪ Assess SEA knowledge & Application within country. Raise SEA awareness of High level Government Staff including Ministers. Involve stakeholders as appropriate. Seek information and/or feedback from government, key partners at country level (UNCT, UNDAF, etc.), undertake studies relevant to scale or scope of PPP in question.
	▪ Bring information to the table during appropriate windows in donor approval process.
	▪ Identify indicators for measuring progress and identify accountabilities as part of RIMS and country monitoring system.
	▪ Allocate budget to fulfill assigned responsibilities.
	▪ Review of final product/PPP/strategy to determine level of integration of environmental recommendations.
	▪ Monitor environmental outcomes over longer term to improve future IFAD support.

(Source: adapted from OECD, 2006).

C. SEA Steps in RB-COSOP Development

12. The following SEA steps can generally be identified in each RB-COSOP preparation (also see figure 3 below):

(a) Initial identification of plan/programmes options.

(b) SEA Screening – this stage refers to the decision to undertake an SEA. Screening is one of the very early steps in the SEA, and it is carried out to decide whether it is appropriate to develop an SEA of PPP in the area under consideration. An important part of screening therefore is the identification of clear objectives of the SEA and what is the role of the SEA. SEAs are necessary for all PPPs that, when implemented, are likely to produce significant negative impacts on the environment. During the screening stage a **comprehensive stakeholders' analysis** should be carried out to identify stakeholders that need to be engaged and to develop an appropriate communication strategy to ensure public engagement in the process. In particular, efforts should be made to ensure the participation of those stakeholders who are most at risk from environmental degradation, usually the poor and vulnerable groups within communities (i.e. women, elderly, indigenous people, ethnic minorities, etc).

(c) SEA Scoping - refers to the identification and clarification of issues to be addressed by the SEA. At this phase the SEA needs to actively engage with identified stakeholders. This is to ensure that relevant issues associated with the proposed PPPs are identified and addressed in the SEA Study. A detailed

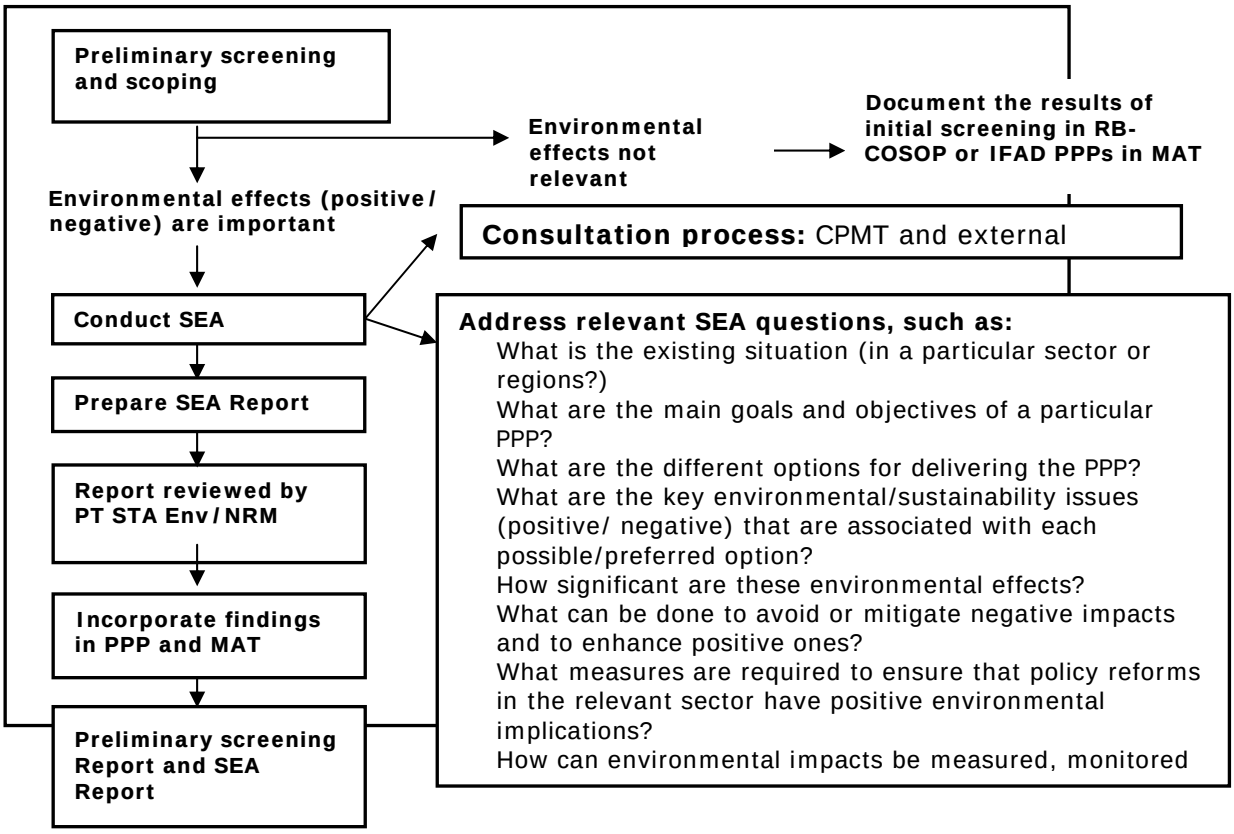
overview of alternative options should also be part of the scoping process to evaluate the advantages and disadvantages of different alternatives.

(d) SEA Report - The **SEA Report** comprises several stages. The initial environmental baseline report provides an in-depth understanding of both the environmental and socio-economic systems that might be potentially affected by the proposed PPPs. The SEA should then identify and assess the potential environmental impacts of implementing the PPP alternatives under study, in order to propose measures to mitigate negative environmental impacts and optimize positive effects. The results of the SEA should be presented in the form of a concise **SEA Report** (environmental baseline, impacts' assessment, sustainability/environmental indicators, etc), inclusive of a short, non technical summary to ease the sharing of results with stakeholders. The SEA Report should also include recommendations for the implementation of the preferred and improved alternative, as well as M&E indicators of desired outcomes. Once the initial draft Report is prepared it should be reviewed by external expertise and at the same time be made publicly available for a period of time. Actions should be taken in this case to ensure that information is also shared with marginalised communities and that their feedback is included in the final SEA Report.

(e) Public Participation – effective and sustained involvement of relevant stakeholders is central to any SEA process. A meaningful public participation process will ensure that stakeholders' knowledge and concerns are integrated into the SEA and that there is general consensus over proposed actions and mitigation measures. It will be therefore essential that particular attention be given to understand the power relations between different stakeholders and what mechanisms need to be established to ensure the participation of marginalised stakeholders' groups. Public participation needs to be an ongoing process throughout the design and should be an integral part of the consultation in the development of RB-COSOPs.

(f) Monitoring and Evaluation – M&E mechanisms should be put in place to assess whether the objectives of the SEA and the recommendations that the SEA Report put forward are being met. Different methods and indicators may need to be developed on a case by case basis and should be aligned to the RIMS. Findings from the evaluation of Country Programmes should be used to inform the revision or the development of new RB-COSOPs and policies.

Figure 3
SEA Steps in the development of COSOPs



(Source: adapted from CIDA, 2004).

13. When conducting a SEA at the country/regional levels, the first step should be the assessment of the extent of SEA awareness and application within the country and the raising of awareness of SEA at the Ministerial & HQ levels in all Govt. Ministries (e.g. through workshops). Another important step should be the identification of similar initiatives by other development agencies to maximize synergies. For example, the UNDAF[25] process could provide a starting point for undertaking SEAs of individual sector initiatives identified in the RB-COSOP, as well as offer opportunities for synergies with ongoing initiatives in the respective country. Important basic sources of information for SEA at the national level are the Country Environmental Analysis and National poverty and vulnerability assessments.

[25] The UNDAF in-country process is supported by a Common Country Assessment (CCA) which analyses the development situation and identifies key developmental issues.

Annex 2.1
Generic Checklist: Questions for all SEAs

Principles and scope

- Have adequate principles, criteria and indicators been defined for the SEA?
- Has the spatial and temporal scope of the SEA been adequately defined?
- Is there a need/opportunity for donor co-ordination in the conduct of the SEA?
- Have alternatives (to the proposed PPP) been identified and considered?

Stakeholder engagement

- Have all relevant stakeholders had an opportunity to engage in the SEA process and to identify potential impacts and management measures?
- Have the views of civil society, particularly affected communities, being included? What has been their influence in the development of the proposed PPP? Is there adequate environmental education of public? What is the level of public awareness of "SEA"? (especially among rural communities)

Linkage to other strategies, policies and plans

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

Generic questions and decisions/activities

- How can sustainable management of natural resources be pro-actively built into proposed programmes and projects?
- What are the opportunities for support to environment and NRM?
- What are other development agencies doing to strengthen environment and NRM?
- If sector wide approaches or other forms of basket funding are included, is there a need for complementary analysis or initiatives to minimize possible negative environmental and social effects?

Linkages/Impacts

- What are the key environmental problems and opportunities and their relation to rural poverty? How is climate change predicted to affect this?
- What are the linkages between the environment and other important development themes such as public health (including HIV/AIDS), education, human rights and democracy, land tenure, gender, conflicts and vulnerability?
- What is the importance of environment for pro-poor growth, environmentally sustainable economic development and attaining the MDGs?
- What are the partner country's commitment[26] to and actual implementation of the Multilateral Environmental Agreements?
- How are environmental concerns addressed in key partner country strategies, such as the PRSP, trade policies and sector strategies, and how are they reflected in the national budget?

Effects

- Have the potential direct, indirect and cumulative negative and/or positive effects (short, medium- and long-term; environmental and social) of the proposed PPP been predicted and analysed?
- Have relevant environmental externalities been identified and internalized?
- Have relevant, specific measures been identified and included to counteract/mitigate these? Alternatively, is it made clear how other national policies/programmes are mitigating the potential negative effects?
- Taking into account differences in power relations and environmental vulnerability, who would be the winners and losers for each course of action?
- Is there potential for enhancing positive effects? Have these opportunities been maximised?
- Has the quality of the assessment been independently reviewed?

Capacity

- Is there an institutional framework to manage environmental risks/impacts and major environmental policy and institutional

[26] Especially with regard to Community Empowerment, Community participation in Natural Resource Management, etc.

failures?

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

Institutional/Implementation

- What is the institutional capacity at the national level to integrate environment into planning processes?
- What donor harmonisation mechanisms are in place to ensure environment is part of donor coordination?
- What are the challenges and opportunities for civil society organisations and the private sector in relation to environment and NRM? What is their level of awareness of the "SEA" process?

Influence of SEA

- Are there specific points in the process to develop the PPP where the SEA can have influence over decision making?
- Data, information and monitoring
- Are there significant data and information deficiencies and gaps? How can these be filled?
- Are measures proposed for monitoring? Are these clear, practicable and linked to the indicators and objectives used in the SEA? Are responsibilities clear?

Source: Adapted from OECD, 2006.

Annex 2.2
Possible Structure and Contents of the SEA study

Structure of report	Information to include
Non-technical Summary	▪ Summary of the SEA process; ▪ Summary of the likely significant effects of the PPPs ▪ Statement on the difference the process has made to date ▪ How to comment on the report
Methodology used	▪ Approach adopted in the SEA ▪ How was public awareness on "SEA" raised (workshops, etc.) ▪ Who was consulted, and when ▪ Difficulties encountered in compiling information or carrying out the assessment
Background	▪ Purpose of the SEA ▪ Objectives of the PPPs
SEA objectives and baseline and context	▪ Links to other international, national regional PPPs and relevant environmental and social objectives including how these have been taken into account ▪ Description of baseline characteristics and predicted future baseline ▪ Environmental and social issues and problems ▪ Limitations of the data, assumptions made, etc ▪ SEA objectives, targets and indicators.
PPPs issues and alternatives	▪ Main strategic alternatives considered and how they were identified ▪ Comparison of the significant environmental effects of the alternatives ▪ How environmental issues were considered in choosing the preferred strategic alternatives ▪ Other alternatives considered and why they were rejected ▪ Any proposed mitigation measures.
PPPs	▪ Significant environmental and social effects of the policies and proposals ▪ How environmental problems were considered in developing the policies and proposals ▪ Proposed mitigation measures (institutional strengthening, budgetary issues, etc.) ▪ Uncertainties and risks
Implementation	▪ Links to other tiers of plans and programmes and the project level (ESA, project design cycle, etc) ▪ Proposals for monitoring and feedback mechanism

Source: adapted from ODPM, 2005

Glossary

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

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

Biological Resources: includes genetic resources, organisms or parts thereof, populations, or any other biotic component of ecosystems with actual or potential use or value for humanity.

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

Desertification: is defined as land degradation in arid, semi-arid and dry sub-humid areas resulting from various factors, including climate variation and human activities (UNCCD 1995)

Ecosystem: means a dynamic complex of plant, animal and micro-organism communities and their non-living environment interacting as a functional unit.

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

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

Environmental and Social Assessment (ESA): the process of examining the environmental and social risks and benefits of proposals. Interpretations of the scope of ESA also vary, particularly regarding the social dimensions. It is usual to consider the physical/biological impacts of development on directly affected groups (e.g. Impacts on downstream water supply, displacement, and local communities or vulnerable groups). But many institutions routinely include consideration of social impacts that are mediated by the environment (such as the human impacts of water pollution). Such agencies undertake environmental and social assessments' or separate social assessments' to identify adverse social impacts and promote other social goals, such as social inclusion or poverty reduction. The relative importance of the different dimensions varies depending on the issue involved; in the case of a dam it is increasingly routine in ESA to consider both physical/ecological and social impacts.

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

Environmental Services: qualitative functions of natural non-produced assets of land, water and air (including related ecosystem) and their biota. There are three basic types of environmental services: (a) disposal services which reflect the functions of

the natural environment as an absorptive sink for residuals; (b) productive services which reflect the economic functions of providing natural resource inputs and space for production and consumption, and (c) consumer or consumption services which provide for physiological as well as recreational and related needs of human beings.

Harmonisation: of aid procedures aims to reduce unnecessary burden in recipient countries and enhancement of development effectiveness and efficiency of aid by reduction of transaction cost of aid procedures among donors and recipient countries. (OECD, 2006)

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

Millennium Development Goals: eight international development goals for 2015, adopted by the international community (UN Millennium Declaration, September 2000).

Policies, Plans and Programmes (PPP): different meanings in different countries:

policies are broad statements of intent that reflect and focus the political agenda of a government and initiate a decision cycle. They are given substance and effects in **plans** and **programmes** (schemes or sets of usually linked actions designed to achieve a purpose). This involves identifying options to achieve policy objectives and setting out how, when and where specific actions will be conducted. (OECD, 2006)

Protected Area: means a geographically defined area which is designated or regulated and managed to achieve specific conservation objectives.

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

Screening: a process to determine the nature and extent of the ESA or environmental analysis to be carried out.

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

Strategic Environmental Assessment (SEA): SEA aims to integrate environmental (biophysical, social and economic) considerations into the earliest stages of policy, plan and programme development (Sadler, 1995). The process of integrating the concept of sustainability into strategic decision making (DEAT 2000)

Sustainable development: using resources in a way which meets the needs of the present without compromising the ability of future generations to meet their own needs (The World Commission on Environment and Development "Our Common Future").

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

Sustainable Use: means the use of components of biological diversity in a way and at a rate that does not lead to the long-term decline of biological diversity, thereby maintaining its potential to meet the needs and aspirations of present and future generations.

References

Canadian International Development Agency (CIDA) (2004). Strategic Environmental Assessment of Policy, Plan, and Program Proposals: CIDA Handbook. Canadian International Development Agency. Quebec: CIDA.

Dalal-Clayton B and Sadler B (2005). Strategic Environmental Assessment: a Sourcebook and Reference Guide to International Experience. Earthscan, UK.

Department of Environmental Affairs and Tourism (DEAT) (2004). Strategic Environmental Assessment. Integrated Environmental Management, Information Series 10. Pretoria: DEAT.

Inter-American Development Bank (IADB) (2006). Environment and safeguard compliance policy. Washington, DC: IADB.

Office of the Deputy Prime Minister (ODPM) (2005). A Practical Guide to the SEA Directive. Crown Copyrights, UK : ODPM.

Organization for Economic Co-operation and Development (OECD) (2006). Applying Strategic Environmental Assessment. DAC Guidelines and Reference Series. Paris: OECD.

United Nations Development Programme (UNDP) (1992). Handbook and Guidelines for Environmental Management and Sustainable Development. New York: UNDP.

World Bank (1993). Sectoral Environmental Assessment, Environmental Assessment Sourcebook Update 4. Environment Department. Washington DC: World Bank.

World Bank (1996). Regional Environmental Assessment, Environmental Assessment Sourcebook Update 15. Environment Department. Washington DC: World Bank.

World Bank (2001). Making Sustainable Commitments: an Environment Strategy for the World Bank. Washington DC: World Bank.

World Bank (1993). Sectoral Environmental Assessment. Environmental Assessment Sourcebook Update, No. 4, Environment Department of the World Bank. Washington DC: World Bank.

WEBSITES

http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/ENVIRONMENT/EXTENVASS/0,,menuPK:407994~pagePK:149018~piPK:149093~theSitePK:407988,00.html

http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/ENVIRONMENT/0,,contentMDK:20274476~menuPK:549265~pagePK:148956~piPK:216618~theSitePK:244381,00.html

http://www.afdb.org/portal/page?_pageid=473,969906&_dad=portal&_schema=PORTAL

http://www.adb.org/Environment/default.asp

http://www.oecd.org/topic/0,3373,en_2649_34281_1_1_1_1_37465,00.html

http://www.environment-integration.eu/

http://www.unep.org/

http://www.undp.org/energyandenvironment/

www.povertyenvironment.net

http://www.seataskteam.net/index.cfm?module=Forums&page=Forum&ForumID=237

www.iaia.org

www.deat.gov.za

http://www.communities.gov.uk/publications/planningandbuilding/practicalguidesea