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Resilient nations.*

**Guidance Note  
UNDP Social and Environmental Standards**

***Social and Environmental Assessment and Management***

## What is New

This update (November 2020) to the Social and Environmental Assessment and Management Guidance Note includes the following top-line revisions:

- ✓ Addition of the Substantial Risk category to strengthen alignment with UNDP's updated Programme and Project Management (PPM) and Enterprise Risk Management (ERM) policies
- ✓ Addition of overview on key requirements and timing related to assessment and management
- ✓ Elaboration on characteristics of social and environmental risk categories
- ✓ Expanded discussion on use of Environmental and Social Management Frameworks (ESMFs)
- ✓ Expanded monitoring section to align with updated SES
- ✓ Revised annex outlines for ESIA and ESMFs
- ✓ Additional annex on Terms of Reference for ESIA/ESMPs

## UNDP Guidance Notes on the Social and Environmental Standards (SES)

This Guidance Note is part of a set of operational guidance materials related to the [UNDP Social and Environmental Standards \(SES\)](#). UNDP's SES seek to (i) strengthen quality of programming by ensuring a principled approach; (ii) maximize social and environmental opportunities and benefits; (iii) avoid adverse impacts to people and the environment; (iv) minimize, mitigate, and manage adverse impacts where avoidance is not possible; (v) strengthen UNDP partner capacities for managing social and environmental risks; and (vi) ensure full and effective stakeholder engagement, including through mechanisms to respond to complaints from project-affected people.

The SES guidance notes follow a similar structure to assist users in finding specific information or guidance (however the SESP Guidance Note focuses on the steps of the screening process). The set of guidance notes will develop over time to include specific guidance on each of the SES Programming Principles, Project-level Standards, and elements of the Social and Environmental Management System (see Key Elements of the SES). The [SES Toolkit](#) is an on-line resource for the guidance notes and supporting materials.

### *How to Use This Guidance Note*

The target users for the SES guidance notes are staff, consultants, stakeholders and partners who are involved in developing, assessing and implementing projects that invoke UNDP's SES. To facilitate use of the overall package of SES guidance, users should understand that the guidance notes:

- Are structured around the process of **screening, social and environmental assessment, and management** (including monitoring).
- Assist in determining the applicability of relevant SES requirements in the screening process for all projects.
- Provide additional guidance for projects that require assessment and development of management measures (i.e. projects with Moderate, Substantial or High Risks related to a certain Principle or Standard).
- Provide a practical resource for implementing SES requirements to address potential social and environmental impacts within the context of the project cycle. Users do not necessarily need to read them in full but rather may select information that is specific to their needs.
- Complement and elaborate on the SES, which must be read in conjunction with the guidance notes (SES language is generally not repeated in the notes).
- Will continue to be developed as lessons are derived from implementation. Feedback is always welcome and can be sent to [info.ses@undp.org](mailto:info.ses@undp.org)

### Key Elements of the SES

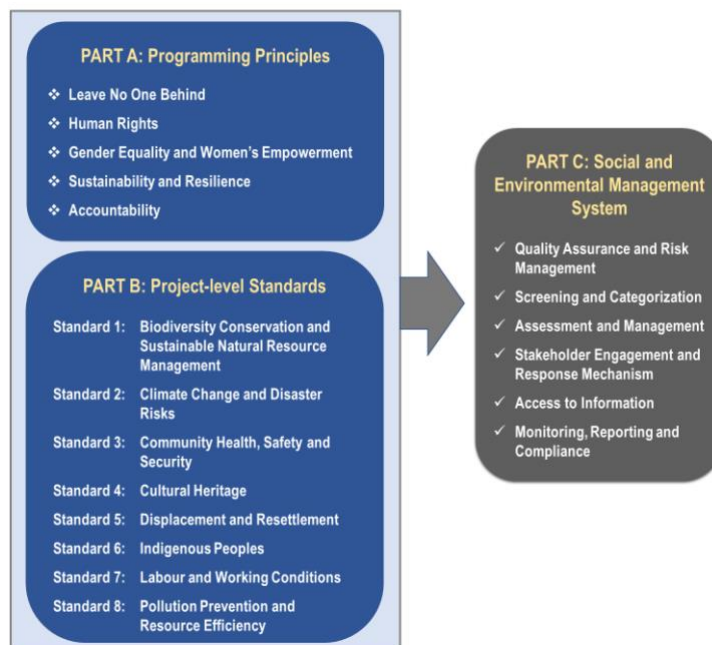
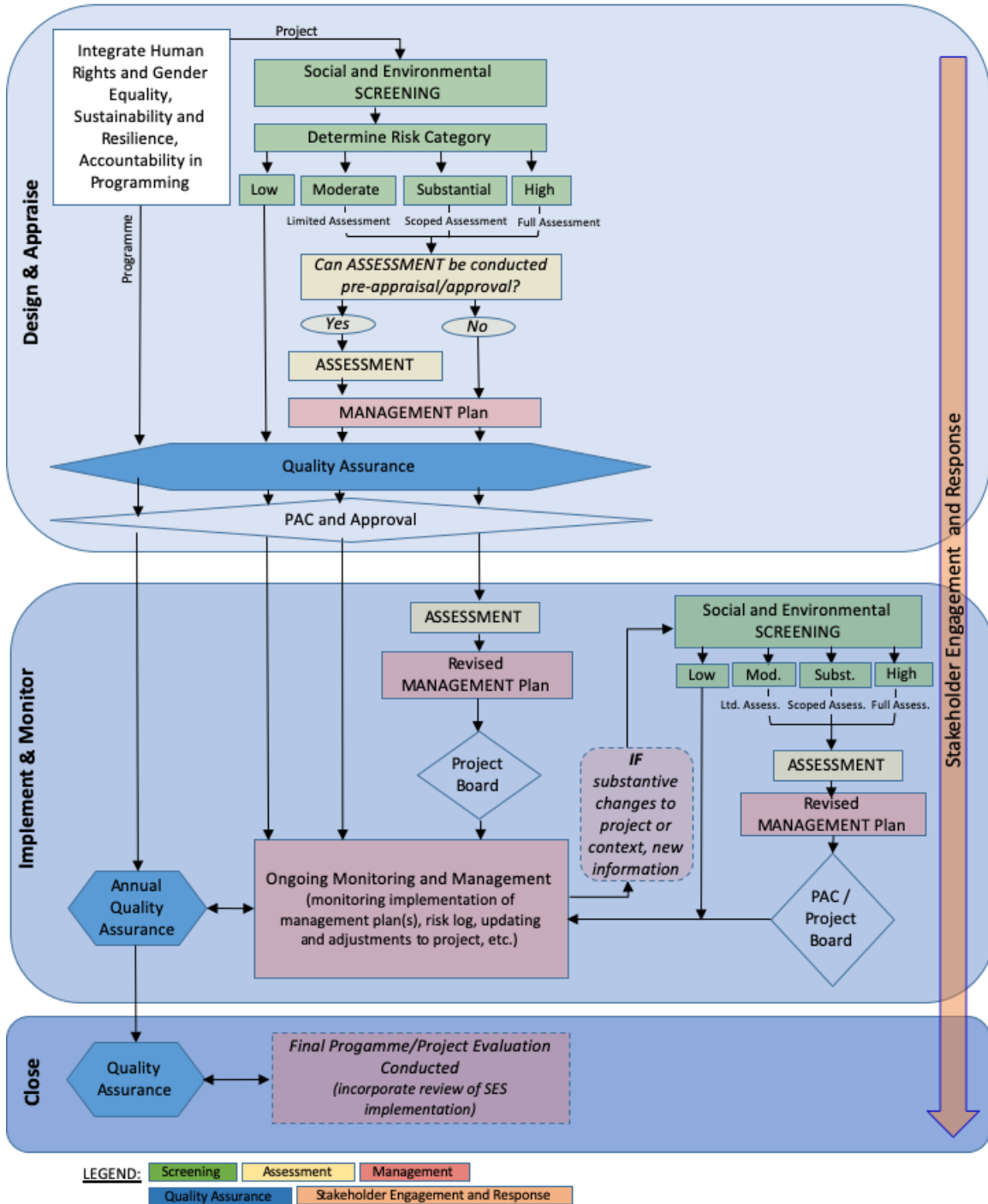


Figure 1. SES Implementation – Screening, Assessment and Management in the Programming Cycle



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# 1 Introduction

This note provides operational guidance for addressing the social and environmental assessment and management requirements of UNDP's SES (see the Social and Environmental Management System section of the SES). While the general process of screening for potential social and environmental impacts is outlined here, detailed guidance on screening is provided in the [Guidance Note on UNDP's Social and Environmental Screening Procedure \(SESP\)](#).

Social and environmental assessment (hereinafter also referred to as "assessment") is a central tool for integrating social and environmental considerations into project decision-making and design. It seeks to understand the potential types and magnitude of social and environmental risks and impacts that may be associated with a project and to provide information for the design of measures to be included in the ProDoc to avoid potential adverse risks and impacts, or to mitigate and manage them when avoidance is not possible.<sup>1</sup> Assessment and management measures are required for all projects categorized by the screening process as posing Moderate, Substantial or High Risks.

**Figure 1** provides a general overview of SES implementation in UNDP's project cycle. It should be noted that screening, assessment, and management might occur at different stages of the cycle.

The following "Overview and Key Considerations" (**Figure 2**) provides both a snapshot of key assessment and management considerations and a key to navigating this document. This Guidance Note begins with a brief introduction to assessment and management and an overview of relevant SES requirements (**Section 2**). **Section 3** provides a brief introduction to how UNDP's Social and Environmental Screening Procedure (SESP) is used to determine if further assessment and management are required. **Section 4** addresses the assessment process while **Section 5** discusses the development of management measures and plans to be integrated into the ProDoc. **Annexes** provide specific guidance on types of assessment and management plans.

This Guidance Note on Social and Environmental Assessment and Management is complemented by other SES Guidance Notes, each of which provide issue-specific guidance on screening, assessment and management in relation to the relevant SES Programming Principles and Project-level Standards. These guidance notes need to be consulted when relevant risks associated with specific SES Programming Principles and/or Project-level Standards are identified (e.g. Biodiversity, Indigenous Peoples).

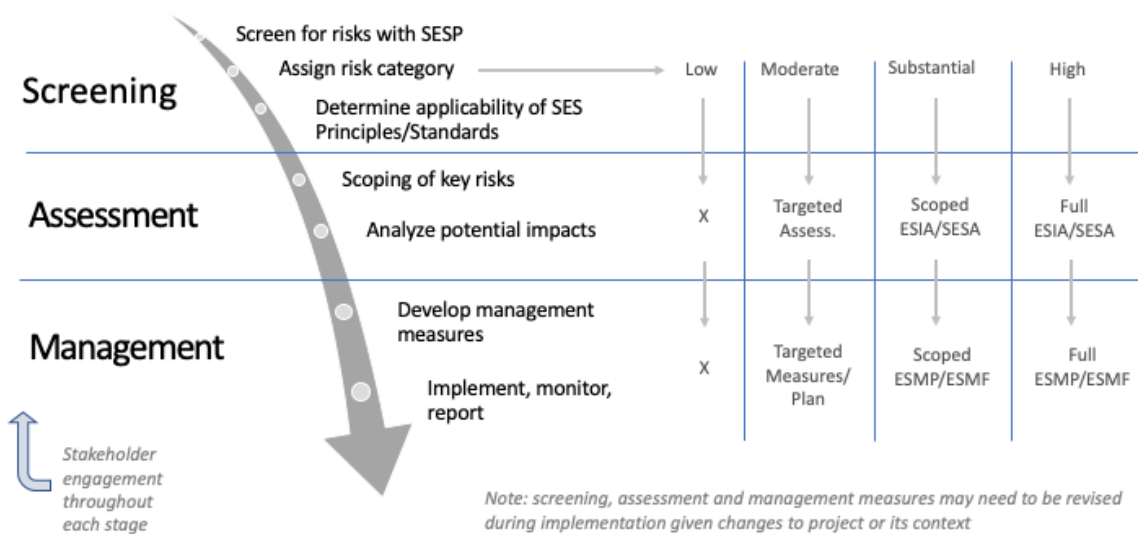
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<sup>1</sup> In the context of social and environmental assessment, "risks" are understood as the likelihood of an event occurring and "impacts" are understood as the consequence of the event occurring.

Figure 2: Overview and Key Considerations

	Screening (Section 3)	Assessment (Section 4)	Management (Section 5)
<b>WHAT</b>	<ul style="list-style-type: none"> <li>Screen with Social and Environmental Screening Procedure (SESP) to identify potential social and environmental risks/impacts</li> <li>Determine risk-based applicability of SES Principles/Standards</li> <li>Categorize Project: Low/Moderate/Substantial/High</li> <li>Draft Stakeholder Engagement Plan, start early consultations</li> </ul>	<ul style="list-style-type: none"> <li>Determine type(s) and scale of social and environmental assessment based on project risks and impacts:                             <ul style="list-style-type: none"> <li>Low Risk: No further assessment</li> <li>Moderate Risk: Targeted assessment (depending on complexity, either stand alone or SESP analysis and measures)</li> <li>Substantial Risk: Appropriately-scoped ESIA or SESA</li> <li>High Risk: full ESIA or SESA</li> </ul> </li> <li>Ensure appropriate disclosure and stakeholder consultations</li> </ul>	<ul style="list-style-type: none"> <li>Determine type(s) and scale of social and environmental management measures based on project risks and impacts:                             <ul style="list-style-type: none"> <li>Low Risk: No further management measures</li> <li>Moderate Risk: Targeted management measures</li> <li>Substantial Risk: Appropriately-scoped-ESMF or ESMP</li> <li>High Risk: Full ESMF or ESMP</li> </ul> </li> <li>Ensure appropriate disclosure and stakeholder consultations and monitoring of all management measures</li> </ul>
<b>WHEN</b>	<ul style="list-style-type: none"> <li>Screen as early as possible in project development to inform design</li> <li>Completed SESP must be submitted to PAC for review</li> <li>Revise SESP during implementation if changes to project/context, reviewed by Project Board or subsequent PAC</li> </ul>	<ul style="list-style-type: none"> <li>Ideally undertaken during project development (pre-PAC) utilizing Initiation Plan or other project preparation funding</li> <li>Where specific activities are not yet fully defined and/or where assessments need to be financed by project budget, prepare ESMF pre-PAC that specifies procedures for screening and assessing forthcoming activities</li> <li>In all cases, complete assessments prior to any activities that may cause social/environmental harm</li> <li>Revise or undertake assessment(s) given changes in project activities, context, or escalation of project risk profile; reviewed by Project Board or subsequent PAC</li> </ul>	<ul style="list-style-type: none"> <li>Ideally management measures developed pre-PAC if assessment completed</li> <li>ESMF prepared pre-PAC if assessments and development of specific management plans to be undertaken during implementation; reviewed by Project Board or subsequent PAC</li> <li>In all cases, management measures to be in place prior to any activities that may cause social/environmental harm</li> <li>Revise and/or develop further management measures if there are changes in project activities, its context, or escalation of the project risk profile; reviewed by Project Board or subsequent PAC</li> </ul>

### Screening, Categorization and Level of Assessment and Management



## 2 Understanding the Basics

### 2.1 Background

Social and environmental assessment and management are generic terms used to describe a process of identifying, predicting, evaluating, avoiding – and where avoidance is not possible – mitigating adverse social and environmental impacts of development projects. Identification of a project’s potential risks and impacts in advance allows for informed decision making to avoid and reduce adverse consequences and maximize potential project benefits.

With an emphasis on engagement of stakeholders, assessment and management broadens public understanding and ownership of a development proposal’s design and implementation. Assessment helps to ensure that government decision-makers are fully informed about a project’s potential social and environmental risks and impacts. As a key project risk management tool, assessment and management decreases the chance of potential hazards to people or the environment and lowers risks of adverse media attention, project delays and reputational risks for all the development partners.

In short, timely assessment and management helps to lower costs and headaches during project implementation through avoidance and minimization of potential risks and impacts. Delays in the implementation of a project because social and environmental issues were not considered can be significantly more costly than conducting social and environmental assessment at the outset. In some cases, the assessment may identify problems that are so serious that the project should not proceed.

Social and environmental assessment and management is a flexible and highly contextualized approach that can vary in form and scope depending on the project. It may range from relatively straightforward analysis and application of well-understood standard good practice<sup>2</sup> for projects with moderate potential impacts to full Environmental and Social Impact Assessments (ESIA) (with special thematic studies) for higher risk projects. Issue-specific management plans (e.g. Biodiversity Action Plan, Resettlement Action Plan) may also need to be developed.

Most countries have adopted environmental laws and regulations that require assessment and management for proposed projects and, increasingly, for upstream policies, plans and programmes. However, such national requirements vary significantly, particularly in terms of scope (e.g. degree to which social dimensions are articulated), rigor (e.g. level of baseline analysis, impact prediction) as well as process (e.g. degree of stakeholder participation and information disclosure). UNDP requires a fully integrated (e.g. covering social and environmental dimensions), participatory, and transparent approach to assessment and management.

### 2.2 Objectives and Requirements

Social and environmental assessment and management aims to:

- Provide information for decision-making that analyzes the physical, biological, social, economic and institutional benefits and consequences of proposed actions

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<sup>2</sup> Such as Good International Industry Practice, or GIIP, which is defined as the exercise of professional skill, diligence, prudence, and foresight that would reasonably be expected from skilled and experienced professionals engaged in the same type of undertaking under the same or similar circumstances globally or regionally. The outcome of applying good international practice should be that the project employs the most appropriate approaches and technologies in the project-specific circumstances. World Bank, [Environmental and Social Framework](#), ESS1, p. 31, ft. nt. 23.



- Identify procedures and methods for avoiding and, where avoidance is not possible, mitigating and managing all potential adverse social and environmental impacts in policy, planning and project cycles
- Promote transparency and public participation in a project’s decision-making process
- Ensure that development projects are socially and environmentally sound and sustainable and comply with international standards and national/local regulatory requirements.

The SES requirements regarding social and environmental assessment and management seek to further these objectives. Box 1 provides a high-level summary of these requirements, which are explained in the following sections of this Guidance Note.

**Box 1. Summary of SES requirements regarding social and environmental assessment and management (see full text of SES, Social and Environmental Management System, paras. 6-17)**

*As discussed in this Guidance Note, the SES requirements regarding social and environmental assessment and management are to be addressed for all projects categorized as Moderate, Substantial or High Risk. How the requirements are addressed may vary, for example, through upfront (pre-PAC) assessment and development of management measures or through a management framework (e.g. ESMF) that specifies how the requirements will be addressed during project implementation (see section 4.1 on timing of assessments)*

**Identify and assess risks and impacts (see section 4):**

- *Ensure potential social and environmental risks and impacts are identified and assessed in an integrated manner, including risks related to SES Programming Principles and Project-level Standards (see Box 5 for a listing of potential risks and impacts associated with the Principles and Standards)*
- *Ensure projects adhere to Applicable Law,<sup>3</sup> including international obligations*
- *Ensure meaningful, effective and informed stakeholder engagement in the assessment and management process*
- *Undertake appropriate forms of assessment scaled to the nature of project and level of identified risks and impacts:*
  - *targeted social and environmental assessment of projects with Moderate social and environmental risks and impacts (see section 4.5)*
  - *appropriately-scoped assessment that examines the varied range of Substantial risks and impacts (e.g. scaled ESIA, SESA, ESMF) (section 4.6)*
  - *comprehensive forms of assessment (e.g. full ESIA, SESA) for High Risk projects (section 4.6)*
- *Apply the criteria for assessments as outlined in the SES, Part C, para. 16*

**Avoid, minimize, and manage potential risks and/or impacts (section 5):**

- *Based on the assessment, ensure appropriate risk avoidance, reduction and management measures are developed and implemented, following the mitigation hierarchy, including*
  - *targeted management measures for projects with Moderate Risks (see section 5.1)*
  - *appropriately-scoped management plans for Substantial Risk projects (e.g. scaled ESMP, and where relevant, issue-specific plans, e.g. Resettlement Action Plan, Indigenous Peoples Plan, Biodiversity Action Plan, Cultural Heritage Management Plan) (see section 5.2)*
  - *comprehensive management plans for High Risk projects (e.g. ESMP, and where relevant, Resettlement Action Plan, Indigenous Peoples Plan, etc.) (see section 5.2)*

## 2.3 Key Principles and Tools

A number of common principles should be applied throughout the process of assessment and management (see also Box 2 and section 4.4). These include the following:

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<sup>3</sup> “Applicable Law,” for purposes of the SES, refers to the national and international laws that impose duties and obligations on the State or States in question. UNDP will not support activities that do not comply with Applicable Law. In the event that national law is inconsistent with or has a lower standard than the State’s obligations under international law, the latter will be the standard to be applied in the Project.

- **Precautionary principle:** Apply the “precautionary principle” when designing and implementing projects. In other words, the lack of full scientific certainty shall not be used as a reason for postponing measures to prevent serious threats of social harm or environmental degradation.
- **Polluter pays principle:** Follow the commonly accepted practice that those who produce pollution should bear the costs of managing it to prevent damage to human health or the environment.
- **Mitigation hierarchy:** Apply the “mitigation hierarchy” that prioritizes (i) avoidance of potential adverse impacts, and where avoidance is not possible, then (ii) minimization and reduction; where adverse residual impacts remain, then (iii) mitigation measures need to be applied, and, as a last resort, (iv) measures to offset impacts that cannot be appropriately mitigated.
- **Direct, indirect, cumulative, and induced impacts:** Consider all direct and indirect social and environmental risks and impacts that may be caused by project activities not just in the immediate project area but also in the project’s area of influence (see below). Also consider cumulative impacts from the project or from other relevant past, present and reasonably foreseeable developments in a geographic area.
- **Project area of influence:** A project’s social and environmental risks and impacts may extend far beyond specific sites and locations. The project’s area of influence needs to be considered when identifying and addressing project risks and impacts. It encompasses (i) the primary project site(s) and related facilities (e.g. access roads, pipelines, canals, disposal areas), (ii) associated facilities that are not funded as part of the project but are directly related, planned to be carried out contemporaneously and whose viability and existence depend on the project (e.g. transmission line to connect UNDP-supported wind energy facility), (iii) areas and communities potentially affected by cumulative impacts from the project or from other relevant past, present and reasonably foreseeable developments in the geographic area (e.g. reduction of water flow in a watershed due to multiple withdrawals), and (iv) areas and communities potentially affected by induced impacts from unplanned but predictable developments or activities caused by the project, which may occur later or at a different location (e.g. facilitation of settlements, illegal logging, agricultural activities by new roads in intact forest areas).
- **Adaptive management:** Utilize adaptive management techniques whereby lessons are learned from past management actions and are proactively utilized to predict and improve management as the project progresses. Adaptive management may also involve an iterative approach whereby project activities are reviewed to ensure appropriate risk management measures have been adopted. This also applies to the issue of unspecified project activities that may arise during project implementation and for which appropriate social and environmental risk management measures need to be applied.
- **Stakeholder engagement:** Engage stakeholders meaningfully in the process of identifying, reviewing, managing and monitoring potential impacts and risks. Stakeholder engagement is central to the assessment and management processes in that it promotes public participation in

**Box. 2 “New” issues in SES assessment and management requirements**

All project-related social and environmental risks and impacts are to be identified in the assessment and management process. The updated SES (see Part C, para. 16) emphasizes several risk areas that require additional attention (see also section 4.4):

- **Conflict and reprisals:** examine if the project may exacerbate risks to human security through escalation of conflict, crime and violence. Also, consider the risk of reprisals against individuals and communities (e.g. human rights and environmental defenders, complainants) in relation to project activities
- **GBV and SEA:** identify potential risks of gender-based violence and/or sexual exploitation and abuse of women, men, girls and boys that may occur in connection with supported activities
- **Persons with disabilities:** identify risks and impacts to persons with disabilities and adopt differentiated measures to ensure non-discrimination and equality, access, and opportunities to participate in and benefit from supported activities on an equal basis with others
- **Contractors and suppliers:** identify potential risks and impacts associated with project contractors and primary suppliers

decision-making; helps identify the full range of a project's potential risks, impacts, and concerns; incorporates local knowledge and expertise in project design; and strengthens local support for project activities and maintaining project outcomes.

- **Transparency and access to information:** Ensure that relevant information on UNDP projects is disclosed in a timely manner, in an accessible place, and in an appropriate form and language to help affected communities and other stakeholders to understand the opportunities, risks and potential impacts of supported activities. Access to project information is a prerequisite for effective stakeholder engagement and is to include timely disclosure of draft and final social and environmental assessments and management plans.
- **Compliance with the highest standard:** Comply with applicable national and local laws and regulations and relevant international obligations of the host country, and UNDP's Social and Environmental Standards. While compliance must be ensured, UNDP projects should not be designed merely to fulfill a set of minimum standards but to seek implementation of best possible solutions to complex issues and development challenges. The requirements of UNDP's SES may at times be more stringent than those of national development partners. Nevertheless, UNDP is obligated to follow its own standards. As part of the project's social and environmental assessment, Project Developers need to assess the adequacy of the identified applicable policy, legal/regulatory and institutional framework relative to implementing and sustaining the proposed project, especially the proposed mitigation, monitoring and institutional responsibilities. *Where standards differ, UNDP requires adherence to the higher standard.* In such cases, project teams will need to work closely with national counterparts including responsible parties and others who may be involved in project implementation to address gaps between national law and UNDP's SES to identify solutions to ensure compliance with the SES. In these cases, practical solutions need to be found in collaboration with the implementing partner and included in the ESMP.

Various methods and tools are used to assess a project's potential social and environmental consequences and to develop appropriate measures to avoid and manage risks and impacts. Types of instruments central to UNDP's requirements regarding assessment and management include the following:

- **Environmental and Social Impact Assessment (ESIA)** identifies and assesses the potential social and environmental impacts of a proposed project in its area of influence, evaluates alternatives, and designs appropriate avoidance, mitigation, management, and monitoring measures. Generally, an ESIA is required for Substantial Risk and High Risk projects with "downstream" impacts (e.g. with a physical footprint). An ESIA addresses all relevant issues related to the SES Programming Principles and Project-level Standards triggered by project activities. Annex 1 outlines the process for conducting an ESIA (full or scoped), Annex 2 provides a generic ESIA ToR, and Annex 3 provides an indicative outline for an ESIA report. A key output of an ESIA is an Environmental and Social Management Plan (ESMP, see below).
- **Strategic Social and Environmental Assessments (SESAs)**<sup>4</sup> refers to a range of analytical and participatory approaches that aim to integrate social and environmental considerations into policies, plans and programmes (PPPs) and evaluate their interlinkages with economic considerations. Potential adverse risks and impacts associated with such activities are systematically examined. SESA evaluates the effect of policy changes on a broad, cross-sectoral basis with the aim of making "upstream" development decision-making more sustainable. SESAs typically look at wider sustainability issues than project-level assessments, however, there needs to be linkages between the two: information and strategies determined in a SESA should cascade down through tiers of decision-making and be used for assessments of individual projects. Whereas SESAs are required for relevant High or Substantial Risk Projects, the instrument may also

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<sup>4</sup> "SESA" builds on the principles and approaches of Strategic Environmental Assessment (SEA) that have been widely employed. The term was expanded to emphasize the integration of social dimensions of such approaches.

be utilized for Moderate Risk projects that include support to upstream planning and policy reform. If the PPP is anticipated to lead to “downstream”(e.g. physical footprint) interventions that may pose potentially significant adverse risks and impacts, the SESA process needs to include development of an Environmental and Social Management Framework (ESMF, see below).

- **Targeted or Focused Social and Environmental Assessments** are specific to the identified potential social and environmental risks and/or impacts. Targeted assessments are required for Moderate Risk projects when the full extent of the limited impacts cannot be readily predicted or where design of management measures requires additional analysis.
- **Environmental and Social Management Plans (ESMP)**<sup>5</sup> are a key output of the assessment process and consist of avoidance, mitigation, monitoring and institutional measures – as well as actions needed to implement these measures – to achieve the desired social and environmental sustainability outcomes. Annex 1 outlines the steps in developing an ESMP and Annex 4 provides an indicative ESMP outline. ESMPs are scaled to the nature of the project and severity of social and environmental risks and impacts as identified in the assessment (e.g. ESMPs for Substantial and High Risk projects are typically more extensive than those for Moderate Risk projects). All ESMPs, no matter the social and environmental risk category, need to be based on an analysis of potential social and environmental risks and impacts.
- **Environmental and Social Management Framework (ESMF):** An ESMF is an instrument that examines potential risks and impacts when a project consists of a series of sub-projects/activities or subsequent implementation of policies, plans, programmes (PPP) that cannot be fully assessed until the details of the PPP and/or activities have been identified (often later in the project cycle). The ESMF sets out the principles, rules, guidelines and procedures to ensure the social and environmental risks and impacts of the forthcoming but as yet unspecified activities are fully identified (screened) and assessed, and that management measures are in place prior to implementation of the relevant activities with potential social and environmental risks and impacts. It contains measures for estimating and budgeting the costs of such measures, and information on responsibilities for addressing project risks and impacts. See section 4.2 for further discussion on the use of ESMFs. Annex 5 provides an indicative ESMF outline.

### 3 Screening

UNDP screens projects according to the SES as part of the quality assurance process. [UNDP’s Social and Environmental Screening Procedure](#) (SESP) guides the screening and categorization process, resulting in a project-level risk category – Low, Moderate, Substantial, High – that reflects the level of review, assessment and resources required for addressing and managing the project’s potential social and environmental risks and adverse impacts (see Figure 2 Overview and Key Considerations). Exemptions to the screening process are outlined in Box 3.

**Note regarding partner activities:** Most UNDP projects involve partners that contribute in-kind resources or parallel funding but apply their own policies and procedures to help achieve common objectives of the project. While UNDP cannot ensure compliance with the SES beyond activities that are funded through UNDP accounts, it still needs to be fully aware of potential risks and impacts that may arise from related partner-funded activities. In such cases, UNDP should screen the entire set of related project activities (including those directly supported by partners) to ensure that potential social and environmental risks of those activities do not compromise the outcomes and outputs of UNDP-supported activities (or present potential reputational risks). Where partner-related social and environmental risks and impacts are identified, UNDP then needs to work with the partner to ensure a consistent approach to social and

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<sup>5</sup> Often referred to as an Environmental Management Plan (EMP) in materials regarding EIAs/ESIAs.

environmental risk mitigation and management. An agreed 'common approach' to safeguards for the project may be required to ensure that collaborating partners implement project-related activities in a manner consistent with the SES. This requires early engagement and negotiation with related project parties.

The following paragraphs provide further information regarding the type and scale of social and environmental risks and impacts of Low/Moderate/Substantial/High Risk projects.

**Low Risk** projects are comprised of activities that have minimal or no risks of adverse social or environmental impacts and do not require further assessment. Certain activities (in addition to those in Box 3) are often seen as presenting low social and environmental risks and impacts, such as capacity building, training activities, supporting stakeholder engagement platforms. However, all supported (non-exempt) activities must be screened in their specific context. For example, capacity building and/or training for security personnel would never be considered Low Risk.

**Moderate Risk** projects include activities that have potential adverse social and environmental risks and impacts that are limited in scale, can be identified with a reasonable degree of certainty, and can be addressed through application of standard good practice (e.g. GIIP). Targeted forms of assessment may be required.

Social and environmental risks and impacts for Moderate Risk projects are likely to have the following characteristics:

- predictable and expected to be temporary and/or reversible
- low in magnitude
- generally site-specific, without the likelihood of impacts beyond the project's actual footprint
- low probability of serious adverse impacts to human health and/or the environment
- can be easily mitigated in a predictable manner.

**Substantial Risk** projects include activities with potential adverse social and environmental risks and impacts that are more varied and complex than those of Moderate Risk activities but remain limited in scale and are of lesser magnitude than those of High Risk projects. Substantial Risk projects may also include a varied range of Moderate Risk activities that require more extensive assessment and management measures. An appropriately-scoped ESIA or SESA is typically required.

Social and environmental risks and impacts of Substantial Risk projects are likely to have some or all of the following characteristics:

- mostly reversible (although substantial investment and time may be required)
- medium in magnitude and/or in spatial extent, (geographical area or size of the affected population are medium to large)
- with a smaller footprint and lower effects on areas of high value or sensitivity than High Risk projects

### Box 3. Exemptions to Screening Process

There are a number of exceptions to the screening requirement (see UNDP SESP, para. 7). These include projects that consist solely of any of the following functions or activities:

- a. UNDP serves as Administrative Agent;
- b. Preparation and dissemination of reports, documents and communication materials (however, project preparation reports such as feasibility studies fall within the project screening requirement)
- c. Organization of an event, workshop, training;
- d. Strengthening capacities of partners to participate in international negotiations and conferences;
- e. Partnership coordination (including UN coordination) and management of networks;
- f. Global/regional projects with no country-level activities (e.g. activities such as knowledge management, inter-governmental processes); and/or
- g. Development Effectiveness projects and Institutional Effectiveness projects.

- the potential for cumulative and/or transboundary impacts are less severe and more readily avoided than those of High Risk projects
- medium probability of serious adverse impacts to human health and/or the environment
- may generate stakeholder concerns regarding potential social and environmental risks and impacts
- may give rise a limited degree of social conflict, harm or risks to human security
- more readily mitigated than for High Risk projects.

**High Risk** projects are those with potential significant adverse social and environmental risks and impacts that are irreversible, unprecedented and/or which raise significant concerns among potentially affected communities and individuals as expressed during the stakeholder engagement process. Comprehensive forms of assessment (ESIA or SESA) are required.

Social and environmental risks and impacts of High Risk projects are likely to have some or all of the following characteristics:

- long term, permanent and/or irreversible and impossible to avoid entirely
- high in magnitude and/or spatial extent (geographical area or size of the affected population are large or very large)
- significant adverse cumulative and/or transboundary impacts
- high probability of serious adverse effects to human health and/or the environment
- may give rise to a significant social conflict, harm or risks to human security (including areas with a history of unrest and significant concerns regarding activities of security forces).

Figure 2 provides a brief overview of the general type/levels of assessment and management for Moderate, Substantial and High Risk projects, which are elaborated in the following sections.

When screening indicates that specific SES Programming Principles and/or Project-level Standards (e.g. Human Rights, Indigenous Peoples, Cultural Heritage) are applicable, it is necessary to review the SES and specific thematic guidance notes (see [SES Toolkit](#)) to ensure that the relevant requirements related to these principles and standards are addressed in the assessment and management process. Section 4.4 lists a range of risks and impacts related to each Principle and Standard that may need to be addressed.

UNDP projects often support policy and sector reforms to strengthen national anti-poverty and sustainability programs. Such reforms may include changes in key sectors such as transportation, energy agriculture, health and education. When screening such initiatives, a cascading logic analysis needs to be applied that seeks to anticipate potential adverse downstream social and environmental risks and impacts that may inadvertently flow from supported policy reforms. Persons with experience in SESA may assist in applying such an analysis and predicting these potential risks and impacts which would be flagged in the screening process and further analyzed during scoping and assessment. See the section on SESA (section 4.6.2 and Annex 6) for further details. The SES Toolkit will include further information on screening policy reforms and applying SESA methodologies.

At project approval, the completed SESP (together with any related assessments, management plans or ESMFs) must be annexed to the Project Document (ProDoc).

During project implementation, SESP may need to be revised due to new information (e.g. from completed assessments) or substantial changes to the project or to the project context (e.g. conflict, disaster, disease). Revised SESP, especially those that have escalated the risk categorization level, need to be reviewed by the Project Board or a subsequent PAC process (and where relevant the GEF or GCF). The Project Risk Register would also need to be updated.

## 4 Assessment

For projects categorized as Moderate, Substantial or High Risk, UNDP requires a social and environmental assessment. The types and breadth of impact analysis and methods used must be commensurate with the type, scale, location and significance of impacts posed by the project. In addition to this guidance note, please see [UNDP's SES Toolkit](#) for additional links and resources regarding further assessment methodologies.

### 4.1 Timing and Funding of Assessments

Social and environmental assessment is most effective when initiated early during project preparation as it allows for the timely identification of potential risks and impacts and incorporation of impact avoidance and mitigation measures into the project design process – that is, at a time when they can be more easily accommodated and budgeted. Early assessment also ensures that the project is designed in compliance with applicable social and environmental policies, laws, regulations, standards, and UNDP requirements.

However, many UNDP projects may not have full information regarding specific project components and locations at the time of project appraisal. Conducting an assessment with incomplete information would generally lead to inappropriate assessments and management plans. Where project components and locations are not yet fully defined, a framework approach (e.g. ESMF) would need to be utilized that includes preliminary social and environmental analysis and establishes procedures for undertaking assessments and developing appropriate management measures/plans during project implementation. Section 4.2 discusses ESMFs in more detail.

***In all cases UNDP requires that social and environmental assessments and adoption of appropriate mitigation plans/measures must be completed, disclosed, and discussed with stakeholders prior to initiation of any project activities that may cause adverse social and environmental impacts.***

Table 1 below outlines a number of scenarios regarding when assessments may be conducted and how they may be funded. No matter the scenario, UNDP needs to review the assessment and associated management plans for quality and consistency with the SES.

Social and environmental assessments (and the development of necessary management measures/plans) may be funded through various sources, such as partner funding and co-financing, a UNDP Initiation Plan or other sources, project budgets.

**Table 1. Timing scenarios of assessments**

Scenario		Actions and Roles
Pre-PAC	1. Utilize partner assessment	<ul style="list-style-type: none"> <li>▪ UNDP reviews for comprehensiveness, quality and consistency with SES</li> <li>▪ UNDP incorporates findings into ProDoc, budget, monitoring framework</li> <li>▪ Additional studies undertaken if gaps with SES</li> <li>▪ Completed assessment and management plans annexed to ProDoc and reviewed by PAC</li> </ul>
	2. UNDP undertakes assessment	<ul style="list-style-type: none"> <li>▪ UNDP leads assessment process during design, ensuring compliance with SES</li> <li>▪ UNDP incorporates findings into ProDoc, budget, monitoring framework</li> <li>▪ Completed assessment and management plans annexed to ProDoc and reviewed by PAC</li> </ul>

<b>Post-PAC</b>	<p><b>3. Assessment and management plans developed during project implementation (e.g. once specific activities/locations fully defined, once project budgetary resources available)<sup>6</sup></b></p> <p><b>4. Additional assessment needed given changes in project or project context</b></p>	<ul style="list-style-type: none"> <li>▪ Initial management plan (e.g. ESMF) developed pre-PAC that stipulates procedures for screening, assessment and management during project implementation</li> <li>▪ ESMF identifies project components that cannot proceed until assessments conducted and management measures in place and/or activities to be excluded</li> <li>▪ Completed assessments and management plans submitted to Project Board for review</li> <li>▪ UNDP or partner re-screen project and where warranted undertake additional assessment due to substantive changes (e.g. project scope revised, components added) or the context of the project changes and poses potential risk and impacts (e.g. political instability, conflict, disaster risk)</li> <li>▪ Revised SESP and new assessment submitted to Project Board for review</li> </ul>
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## 4.2 Note on ESMFs and Frameworks

For many UNDP projects, assessments and the development of management plans may need to take place during project implementation. This is noted in Scenario 3 above in which project components and/or subprojects would be fully specified only during project implementation, and/or where resources from the project budget, once approved, are needed to complete the assessment and management plans for forthcoming project activities.

Environmental and Social Management Frameworks (ESMFs) are frequently utilized in such circumstances. The ESMF establishes a framework that guides the screening and categorization, level of impact assessment, required institutional arrangements, and processes to be followed for components or subprojects that will be selected or further specified during project implementation. The ESMF ensures that appropriate management measures that comply with the SES are adopted prior to implementation of the relevant forthcoming activities. Annex 5 provides an indicative outline of an ESMF.

The framework approach may also be utilized for addressing the requirements of specific SES Project-level Standards. For example, where forthcoming but still undefined activities are anticipated to pose likely social and environmental risks and impacts to indigenous peoples, an Indigenous Peoples Planning Framework (IPPF) would need to be developed. Similarly, a Resettlement or Livelihood Restoration planning framework would be developed in cases where the forthcoming activities may include land acquisition or access restrictions with likely moderate or more significant risks and impacts. The SES Guidance Notes for the relevant Standard address the use of thematic specific frameworks.

Projects for which an ESMF may be necessary include, but are not limited to, those that:

- a. support multiple small-scale subprojects in a country or region
- b. implement to-be-specified activities under a national or sectoral policy reform initiative
- c. include components that could not be assessed prior to approval (e.g. due to budgetary constraints), and
- d. respond to crisis and emergency situations.

The ESMF needs to be tailored to the circumstances of each type of project. The scope of the ESMF will depend upon the type and scale of planned activities and the range of SES-related issues that need to be

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<sup>6</sup> Where the purpose of the UNDP project is to assist a partner with undertaking an environmental and social assessment, the ProDoc would comprise the initial management plan and UNDP would ensure that the assessment and management plans were consistent with the SES.



addressed (e.g. land acquisition and access to resources, impacts on natural habitats, indigenous peoples or cultural heritage). At a general level, the key objectives of the ESMF include:

- Establishing clear procedures and methodologies for screening, assessing, developing management measures, review, approval and implementation of subprojects/components to be financed under the project
- Specifying appropriate roles and responsibilities and outlining the necessary reporting procedures for managing and monitoring social and environmental risks/impacts related to subprojects/components
- Determining the training, capacity building and technical assistance needed to successfully implement the provisions of the ESMF (including capacity and needs of the implementing partner)
- Establishing the funding required to implement the ESMF requirements
- Identifying stakeholder engagement/consultation requirements for the different project components.

**The ESMF would not necessarily lead to an all-encompassing ESIA for every project component or activity.**

Based on the screening of the subsequent subprojects/components, the ESMF may lead to a range of site-specific assessments and management measures/plans (e.g. targeted measures for Moderate Risk activities; ESIA for Substantial Risk/High Risk ones). Project components rated as Low Risk may be able to proceed while the assessments for other higher risk activities are being conducted. The ESMF should identify and list the anticipated activities that cannot proceed until they are assessed, and appropriate management measures are in place.

ESMFs require careful planning and a range of management controls to ensure that the post-appraisal social and environmental due diligence takes place in a timely manner. Critically, it needs to include adequate institutional mechanisms to allow the implementing partner to execute the subprojects /components in a manner consistent with the SES. Below are several factors that need to be considered in the development of an ESMF:

- *Screening criteria for undefined activities/subprojects:* Establish procedures for screening and categorizing subprojects and components once they are fully defined. It is advisable to develop the specific screening criteria that will be utilized as part of the ESMF so that they can be reviewed at project appraisal (or when the ESMF is reviewed) to ensure consistency with the SES. Some projects may choose to apply the SESP to the forthcoming subprojects/components; others may require a more tailored screening template for the particular types of activities that will be supported by the project. Either way, screening the forthcoming activities once they are defined is essential to ensuring SES compliance during implementation.
- *Exclusion lists:* Excluding certain types of activities from consideration will likely facilitate social and environmental risk management of subprojects and components. Exclusion lists designate activities that may not receive project-related financing. Exclusion lists may focus on certain activities. Typical types of exclusions may include the following: no physical displacement, no conversion of natural habitats, no activities that may affect indigenous peoples or their lands, territories, resources, no adverse impacts to cultural heritage. Exclusions may also be applied to risk categorization levels (e.g. no Substantial or High Risk subprojects). For projects that include many subprojects, a tailored set of exclusions should be developed that address the likely specific risk/impacts associated with the supported activities.
- *Implementing partner capacity assessment and strengthening:* Review the technical capacity of the implementing partner to execute activities in a manner consistent with UNDP's SES. This is crucial because the successful implementation of the relevant social and environmental standards relies heavily on the partner's capacity, commitment, and good understanding of the SES

requirements. UNDP will need to carefully assess the partner's capacity to manage social and environmental risks and impacts. This review may take place as part of the Partner Capacity Assessment Tool exercise or as a separate exercise if a more specific or comprehensive review is needed. The ESMF should include the details of the training needs of the partner to ensure that the relevant SES requirements are implemented effectively.

- *Consultations:* Summarize and cross-reference the project's Stakeholder Engagement Plan that describes procedures to ensure that meaningful consultations are carried out at the level of subproject/component identification, assessment, management planning and implementation.
- *Schedule and Costs:* Include an integrated implementation schedule and budget. The schedule should indicate the timing of screening, assessment, and development of management measures in relation to the overall phases of project implementation. The budget should include initial and recurring expenses for forthcoming assessments and management planning as well as monitoring and supervision and necessary capacity building activities. It should also be clear about the sources of funding.
- *Monitoring and reporting:* Specify the planned social and environmental monitoring and reporting arrangements. UNDP needs to ensure that it is adequately informed about which subprojects are being supported and their potential risks and impacts. Where there are many subprojects, monitoring and reporting becomes a challenge. Thus, third party reviews (annual, semi-annual, or even quarterly for higher risk activities) may need to be funded to assess compliance with the SES, derive lessons learned and help improve project performance.

Once the planned activities have been defined and assessments undertaken, then the site-specific management measures/plans will become the guiding management tool for the now specified activities, replacing the ESMF.

### 4.3 Stakeholder Engagement in the Assessment Process

Stakeholder engagement is central to the assessment process in order to:

- promote public participation in decision-making
- identify the full range of a project's potential risks, impacts, and stakeholder concerns
- incorporate local knowledge and expertise in project design
- strengthen local support for project activities and maintain project outcomes, among other reasons.

As specified in the SES and in UNDP's Project Document Template, key project stakeholders need to be identified and Stakeholder Engagement Plans are to be developed. [UNDP's SES Guidance Note on Stakeholder Engagement](#) provides more detailed guidance, including explaining the SES requirements for meaningful, effective and informed participation of stakeholders. The following discussion addresses key points regarding the stakeholder engagement in the assessment process.

A key principle to be followed for all projects is to ensure that project-affected stakeholders have an opportunity to express their views on a project's potential risks and impacts. The SES requires that consultations need to be initiated as early as possible (e.g. concept stage), even when the full range of stakeholders has not yet have been identified. For projects with Moderate, Substantial and High risks, project-affected stakeholders should be consulted on the scope and parameters of the assessment process and its findings, including proposed mitigation and management measures.

It may be necessary to undertake targeted consultations to ensure that marginalized or disadvantaged groups and individuals affected by the project also have the opportunity to participate. Engagement

processes and information sharing need to be tailored to the language and accessibility preferences of affected groups, including persons with disabilities.

For Substantial and High Risk projects, stakeholder consultations should be held early as part of the scoping process (e.g. on the Terms of Reference for the assessment) to ensure that the process captures issues of concern to project-affected stakeholders.

A critical moment is the stakeholder engagement process occurs when the draft assessment (ESIA) and management plan (ESMP) are prepared. Meaningful, effective and informed consultations with project-affected stakeholders need to be undertaken to ensure that the documents adequately respond to potential issues and concerns.

Summary reports of each consultation need to be produced, circulated to participants, and publicly disclosed.

**Access to Information.** UNDP is committed to ensuring that relevant information about UNDP projects is disclosed in a timely manner, in an appropriate place, and in a form and language understandable to affected persons and other stakeholders so they can understand potential project-related opportunities and risks and to provide meaningful input into project design and implementation.<sup>7</sup>

The SES requires that draft and final assessments and management plans be shared with project-affected stakeholders in a timely manner. National regulations regarding public consultation and disclosure of assessments vary significantly from country to country and additional consultation and disclosure measures may be required to meet the SES requirements.

Table 2 and Box 4 provide an overview regarding the disclosure of assessments and management plans. Further guidance is provided in Annex 3 of the [SES Stakeholder Engagement Guidance Note](#).

**Table 2. Disclosure of Assessments and Management Plans**

What to disclose	When to disclose	How to disclose
<b>SESPs</b>		
• draft	• Design stage consultations	• Append to project concept note or draft ProDoc
• final	• Post-PAC	• Annex to ProDoc, uploaded into Corporate Planning System
<b>Assessments and Management Plans</b>		
• draft <i>Note: must include summary report for Substantial/High Risk projects</i>	• Part of consultations • At least 30 days for Moderate Risk Projects and 120 days for Substantial/High Risk projects (a) prior to PAC (when assessment pre-appraisal) or (b) prior to implementation of activities that may cause adverse impacts (when assessment post-appraisal)	• At minimum ensure a summary is translated in local language and distributed locally • Annex to and disclose draft ProDoc • Posted on UNDP unit (e.g. CO) website
• final	• Upon receipt	

**For Moderate Risk projects:** Drafts of any prepared assessments and related management plans need to be disclosed and consulted on at least 30 days prior to project approval or initiation of relevant activities (see Box 4). When no separate assessment/management plan is needed (see section 4.5 below), a summary of the analysis contained in the SESP together with the proposed management measures needs to be similarly

<sup>7</sup> Disclosure of information is to be consistent with the UNDP Information Disclosure Policy, available at [http://www.undp.org/content/undp/en/home/operations/transparency/information\\_disclosurepolicy/](http://www.undp.org/content/undp/en/home/operations/transparency/information_disclosurepolicy/).

shared with project-affected stakeholders. In addition, final assessments and management plans must also be disclosed.

*For Substantial/High Risk Projects:* Draft assessments and reports, including any draft management plans, need to be disclosed before being finalized (see Box 4). In addition, for ESIA and SESAs a summary report of the draft must be prepared in order to provide an adequate, accurate and impartial evaluation and presentation of the issues and conclusions of the technical assessment. This summary report must be presented in an understandable format and in an appropriate language(s), including a non-technical summation that can be understood by many stakeholders in order to facilitate and encourage comments. Short summaries and graphic presentations will often be required to facilitate reading and understanding.

**Box 4. Disclosing draft assessments and management plans**

The SES requires disclosure of draft assessments and management plans in order to provide stakeholders’ the opportunity to fully understand potential risks and to meaningfully comment on the plans before they are finalized. This requirement applies to projects with Moderate, Substantial and High Risks. Various ways exist to address this requirement:

- Ensure that national “notice and comment” periods are observed (most national environmental regulations include public comment requirements)
- Conduct stakeholder consultations to inform the initial scoping process and also to get inputs on the findings of the draft assessment and management plan(s)
- Ensure that a summary report of the draft assessment and management plan is translated into local languages and made available in an accessible location together with the draft assessment and management plan
- Circulate a translated summary report and information on availability of draft assessment and management plans to participants of prior consultations and identified stakeholder groups
- Ensure draft and final assessments are posted on project websites

Information regarding the project-level complaints process would also be shared during engagement processes and outlined in the relevant project documentation (e.g. assessment, ESMF, management plans). The [SES Guidance Note on Stakeholder Engagement](#) and the [Supplemental Guidance on Grievance Redress Mechanisms](#) provide further information on project grievance mechanisms. In addition, stakeholders need to be made aware of UNDP’s Accountability Mechanism (the problem-solving Stakeholder Response Mechanism<sup>8</sup> and the Compliance Review<sup>9</sup> undertaken by OAI’s Social and Environmental Compliance Unit).

**4.4 Assessment and SES Programming Principles and Project-level Standards**

UNDP’s screening procedure assists in identifying the risk-based applicability of particular SES Programming Principles and Project-level Standards. Table 3 below is an indicative, non-comprehensive list of issues related to each Principle and Standard that may need to be considered when undertaking either targeted or full social and environmental assessment (see each Principle/Standard and any accompanying guidance in the SES Toolkit for detailed requirements).

**Table 3. SES Principles and Standards and social and environmental assessment**

<b>Principle 1. Human Rights</b>	<p>Assess potential adverse impacts regarding <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• enjoyment of human rights (civil, political, economic, social or cultural)</li> <li>• inequitable or discriminatory impacts on affected populations</li> <li>• discriminatory effects on persons with disabilities</li> <li>• restrictions of access and availability to resources and basic services</li> </ul>
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<sup>8</sup> More information on UNDP’s Stakeholder Response Mechanism at [www.undp.org/srm](http://www.undp.org/srm).

<sup>9</sup> More information on UNDP’s Social and Environmental Compliance Unit at [www.undp.org/secu](http://www.undp.org/secu).

	<ul style="list-style-type: none"> <li>exacerbation of conflicts or risk of violence</li> </ul>
<b>Principle 2. Gender Equality and Women's Empowerment</b>	<p>Assess potential adverse impacts on gender equality and/or situation of women and girls, including <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>gender disaggregated analysis of men's and women's status, roles, needs, division of labour in relation to the project</li> <li>potential restrictions on women's access to or control over resources (e.g. benefits/services, land, market access)</li> <li>meaningful participation of women in project decision making</li> <li>risks of gender-based violence (GBV)</li> </ul>
<b>Principle 3. Sustainability and Resilience</b>	Encompassed by issues to be assessed under Project-level Standards
<b>Principle 4. Accountability</b>	<p>Assess potential adverse impacts regarding <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>exclusion of stakeholders, particularly marginalized groups</li> <li>grievances or objections from potentially affected stakeholders</li> <li>risk of retaliation or reprisals against stakeholders who express concerns or grievances</li> </ul>
<b>Standard 1. Biodiversity Conservation and Sustainable Natural Resource Management</b>	<p>Assess direct, indirect, and cumulative impacts on natural resources, biodiversity and ecosystem services in project's area of influence, considering <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>risks of habitat and species loss (incl. risks to endangered species), degradation and fragmentation of natural habitats and protected areas, invasive alien species, overexploitation, water resources and hydrological changes, nutrient loading, biosafety, pollution, and differing values (e.g. social, cultural, economic) attached to biodiversity/ecosystem services by affected communities</li> <li>impacts across potentially affected landscapes or seascapes</li> </ul>
<b>Standard 2. Climate Change and Disaster Risks</b>	<p>Climate change and disaster risk assessment will examine <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>viability or sustainability of project outcomes due to potential climate change impacts and disaster risks (risks to the project)</li> <li>increased exposure to climate change impacts and disaster risks, incl. unintended or unforeseen increases in vulnerability (risks from the project)</li> <li>potential project-related increases in emissions that may exacerbate climate change impacts, such as GHG and black carbon emissions</li> <li>differentiated impacts of climate change impacts and disasters (e.g. social, gender, age)</li> </ul>
<b>Standard 3. Community Health, Safety and Security</b>	<p>Evaluate the risks and potential impacts related to, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>safety of affected communities during project design, construction, operation, and decommissioning</li> <li>infrastructure safety as well as traffic and road safety</li> <li>community exposure to disease</li> <li>influx of project labour</li> <li>security-related issues, including use of security personnel</li> </ul>
<b>Standard 4. Cultural Heritage</b>	<p>Evaluate the risks to, and potential impacts on, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>tangible forms of cultural heritage (e.g. objects, sites, structures, natural features)</li> <li>intangible forms of cultural heritage (e.g. practices, representations, expressions, knowledge, skills and related instruments)</li> </ul>
<b>Standard 5. Displacement and Resettlement</b>	<p>Evaluate the risks and potential impacts of project-related land acquisition and/or access restrictions to:</p> <ul style="list-style-type: none"> <li>people and communities subject to physical displacement and resettlement</li> <li>people and communities subject to economic displacement</li> </ul>
<b>Standard 6. Indigenous Peoples</b>	Evaluate the risks to, and potential impacts on, <i>inter alia</i> :

	<ul style="list-style-type: none"> <li>human rights, lands, territories, natural resources, traditional livelihoods, tangible and intangible cultural heritage (incl. knowledge and practices) of indigenous peoples</li> </ul>
<b>Standard 7. Labour and Working Conditions</b>	<p>Evaluate the risks and potential impacts related to <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>working conditions that do not meet national labour laws and international commitments</li> <li>occupational health and safety</li> <li>forced labour and child labour</li> </ul>
<b>Standard 8. Pollution Prevention and Resource Efficiency</b>	<p>Evaluate the risks and potential impacts related to <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>routine or accidental release of pollutants</li> <li>wastes and hazardous materials</li> <li>pesticide use and management</li> <li>resource use (e.g. land, energy, water, other inputs) in order to improve efficiency</li> </ul>

## 4.5 Assessment of Moderate Risk Projects

Moderate Risk projects require targeted, focused analysis and assessment specific to the adverse risks and impacts identified during the screening process. Moderate Risk projects consist of activities with potential limited adverse social and environmental risks and impacts for which development of a full-scale ESIA is not necessary. The types of targeted assessment may vary depending on the nature of the potential social and environmental risks and impacts and how readily the scale and boundaries of the potential adverse impacts can be specified and avoided, mitigated, and managed per the mitigation hierarchy. For UNDP, there are two general types of Moderate Risk projects:

- i. In cases where potential adverse social and environmental risks and impacts are limited in number, well understood, clearly circumscribed, and can be easily avoided or mitigated, the analysis of social and environmental risks and impacts and recommended management actions contained in the SESP may be sufficient (with the risks/impacts and proposed management measures/plans incorporated into the project budget, risk log, and monitoring framework).
- ii. Where the full extent and effects of potential adverse social and environmental risks and impacts requires additional analysis, then the targeted or focused assessment would generally consist of a stand-alone assessment/study with proposed management measures (see Box 5).

### Box 5. Types of targeted assessments (partial listing)

- Air quality impact studies
- Environmental and Social Audit
- Hazard or Risk Assessment
- Health Impact Assessments
- Labour Audits
- Noise and vibration studies
- Pollution/contamination studies
- Social baseline studies
- Traffic studies
- Water quality studies

## 4.6 Assessment of Substantial and High Risk Projects

Substantial and High Risk projects involve potential social and environmental risks and impacts that are more varied and complex than those of Moderate Risk projects and thus require more extensive forms of assessment.

A key step in the assessment process is the “scoping” of the social and environmental issues, risks and impacts to be analyzed. Substantial Risk projects require an appropriately-scoped assessment while High Risk projects require a full assessment.

***While similar types of assessment instruments are applied to both Substantial and High Risks, the scope and depth of the assessment for Substantial Risk projects will be less extensive than that for High Risk projects. This is what is meant by an “appropriately-scoped” assessment for Substantial Risk projects.***

Independent experts not directly affiliated with the implementing partner or UNDP need to conduct assessments for High Risk projects and in nearly all cases for Substantial Risk projects. Conflicts of interest between project promoters and designers and those doing the assessment need to be avoided.

In general, two overarching types of assessment instruments may be applied to Substantial and High Risk projects. Potential adverse risks and impacts associated with “upstream” project activities – those involving planning support, policy advice and reform, broad country programmes and/or capacity building – are assessed utilizing forms of Strategic Environmental and Social Assessment (SESA). The potential adverse risks and impacts associated with projects that have a physical footprint (“downstream” activities) are typically addressed through an Environmental and Social Impact Assessment (ESIA). Figure 3 provides a simplified overview of these two types of assessment. Some projects may require a combination of both.

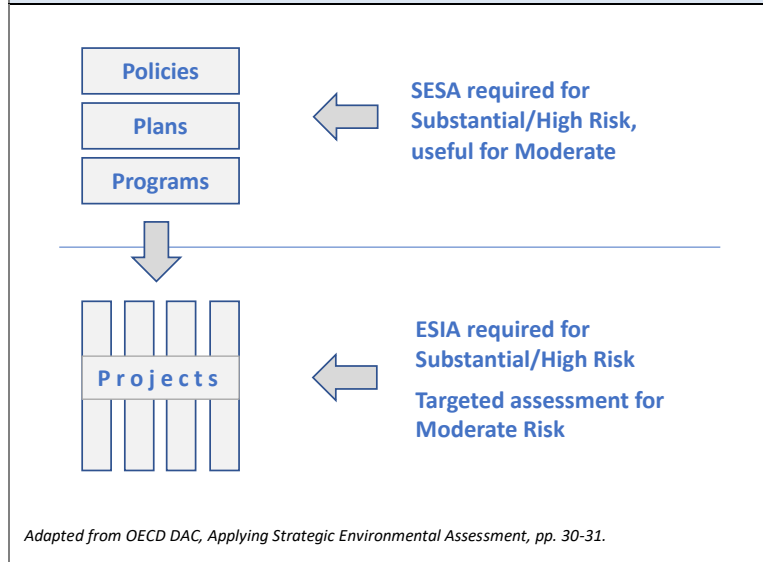
### 4.6.1 Environmental and Social Impact Assessment (ESIA)

ESIAs must conform to the host country’s environmental assessment laws and regulations, host country obligations under international law, and the requirements of UNDP’s SES (see SES Part C).

Although legislation and practice vary around the world, the fundamental elements of conducting an ESIA typically involve the stages outlined in Figure 4. Annex 1 provides detailed guidance on the ESIA process and provides a useful template for the development of Terms of Reference (Annex 2) as well as reviewing existing assessments for completeness.

Depending on the specific type and nature of significant risks and impacts presented by the project, the ESIA process may encompass methods and tools designed to address particular issue areas or spatial focus (e.g. sectoral assessment, human rights impact assessment, cumulative impact assessment).

Figure 3. Levels of decision making and assessment

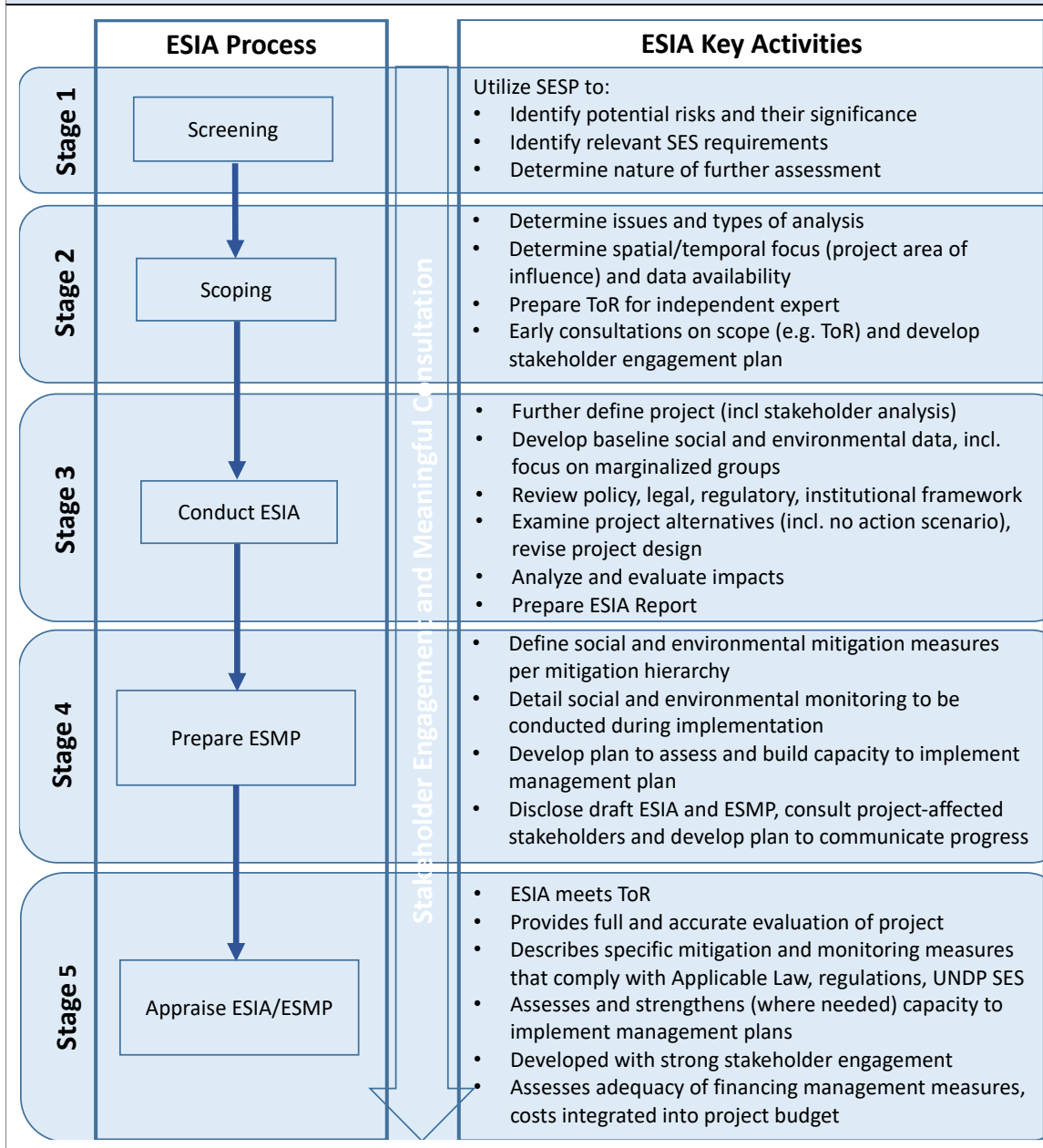


Some national environmental regulations may not require fully integrated assessments that encompass not only potential environmental risks and impacts but social dimensions as well. UNDP needs to ensure that the ESIA meets all requirements of the SES and may need to support additional social analysis.

As noted in section 4.2, when uncertainty remains regarding specific project components or exact locations (e.g. a series of sub-projects that have not been fully identified), an Environmental and Social Management Framework (ESMF) may need to be developed (Annex 5).



Figure 4. Key stages and steps of the ESIA Process



#### 4.6.2 Strategic Social and Environmental Assessment (SESA)

While a SESA is required for strategic level interventions that are categorized as Substantial or High Risk, it must be emphasized that a SESA may also be a useful tool for strengthening sustainability outcomes of a wide range of initiatives, including those which may pose Moderate or even Low Risks.

SESAs evaluate potential social and environmental effects of policies, plans and programmes (PPPs) (see Box 6) which are considered “strategic” in that they determine the general direction or approach (and subsequent projects) to be pursued towards broad goals.

Annex 6 provides introductory guidance on undertaking SESAs. In general, it should be noted that a SESA contributes to strengthening the sustainability of policies, plans, and programmes mainly by:

- Identifying social and environmental priorities that should be included in planning and policy processes
- Assessing gaps in the institutional, policy, and legal frameworks to address these priorities
- Identifying potential adverse social and environmental impacts associated with policy options
- Engaging decision makers and stakeholders to ensure a common understanding and broad support for implementation
- Formulating policy and institutional measures needed to close policy and legal gaps, address institutional weaknesses, and avoid adverse social and environmental impacts.

#### Box 6. Defining policies, plans and programmes

**Policy:** A general course of action or proposed overall direction that a government is or will be pursuing and that guides ongoing decision making.

**Plan:** A purposeful forward looking strategy or design, often with coordinated priorities, options and measures that elaborate and implement policy.

**Programme:** A coherent, organised agenda or schedule of commitments, proposals and/or activities that elaborate and implement policy (generic term, does not refer to “UNDP Programmes”)

Projects that support “upstream” planning and policy reforms may also include or anticipate a range of “downstream” interventions (e.g. those with a physical footprint) which may pose potentially significant adverse risks and impacts. In such cases, the SESA process also involves the development of an Environmental and Social Management Framework (ESMF, see Annex 5).

## 5 Management

Moderate, Substantial and High Risk projects require the development of social and environmental management plans. Management plans set out the avoidance and mitigation measures and actions required to address a project’s potential social and environmental risks and impacts. The scope and level of detail of management plans should be commensurate with the scale of a project’s potential adverse social and environmental impacts. Social and environmental management measures are entered and tracked in the Project Risk Register and incorporated into the monitoring plan for the project.

Management plans define desired outcomes and measurable actions to address identified risks and impacts and to meet applicable requirements, with firm commitments for implementation and monitoring.

The development of management measures follows the **mitigation hierarchy** (see Figure 5). Avoidance of adverse social and environmental impacts is usually the most effective and least-cost option. Where avoidance is not possible, then the project should be modified to minimize potential adverse impacts (“design out risk”). Where significant impacts remain after impact avoidance and minimization, mitigation measures need to be incorporated into the management plan. Lastly as a final resort, measures to offset and compensate any significant residual impacts should be applied.

Management plans are to be developed as part of project design and approval (see Figure 1 at the beginning of this Guidance Note). Their focus and level of detail

Figure 5. Mitigation hierarchy



will vary depending not only on the scale of potential adverse social and environmental impacts but also on whether the assessment will be conducted prior to PAC review or after:

- **For projects where assessment is conducted before PAC review (Table 2, scenarios 1-2):** On the basis of the assessment, a completed management plan is developed and incorporated into the Project Document, budget and monitoring framework. The management plan is reviewed by the project developer and as part of the Project Appraisal (by the PAC) and Quality Assurance (QA Assessor) processes. The PAC ensures management measures are appropriate, incorporated into the project, and properly resourced.
- **For projects where assessment is conducted after PAC review (Table 2, scenario 3):** The initial management plan (e.g. ESMF) incorporates activities and budgetary resources in order to conduct appropriately-scaled stakeholder engagement and assessment during project implementation. The initial plan specifies project activities (e.g. those which may cause social and/or environmental harm) that cannot proceed until the assessment is completed and appropriate management measures are in place. The initial management plan, budget, and monitoring indicators are incorporated into the Project Document and reviewed by the PAC and Quality Assessor. Once the assessment has been conducted, revised (site-specific) management plans are developed with full detail of appropriate mitigation and management measures to address identified risks and impacts. Project documentation is updated and a subsequent PAC or Project Board meeting reviews the revised management plan and ensures that it is properly resourced and incorporated into the monitoring framework.
- **For projects where changes during implementation necessitate unanticipated assessments (Table 2, scenario 4):** Substantive changes to a project (e.g. project scope revised, components added) and/or to the project context (e.g. political instability, conflict, disaster risk) during project implementation may require rescreening and, where warranted, additional assessment and management planning. In such cases, the revised SESP and any new assessments and management plans would be submitted to the Project Board for review (and potentially by a subsequent PAC).

## 5.1 Moderate Risk Projects

The content of management plans for Moderate Risk projects will vary considerably depending on the nature of the potential social and environmental risks and impacts and when assessments are conducted (as discussed above).

***There is no single template or approach for developing management measures/plans for Moderate Risk projects.*** Depending on the complexity and range of identified risks and impacts, management plans for Moderate Risk projects may be stand-alone plans (output of targeted assessment) or may be integrated into the project documentation (SESP, with analysis and management measures/plans incorporated into the project budget, risk log, and monitoring framework). See section 4.5 above.

At a minimum, the following elements would need to be addressed and incorporated into the project documentation:

- Summary of identified adverse social and environmental risks and impacts that could not be avoided or remain after impact minimization efforts
- Actions to implement mitigation measures for each identified risk and impact
- A monitoring and reporting plan
- Stakeholder engagement throughout implementation of management measures
- Implementation schedule, cost estimates and funding sources.

The assessment process may determine that available best management practices would address the project's potential adverse social and environmental impacts. For example, projects that involve minor construction, handling of chemicals, or other common activities have well-developed good international practices associated with them to ensure potential social and environmental impacts are avoided, minimized and mitigated.<sup>10</sup> In some cases, national regulations (e.g. siting requirements, permitting process, design and construction standards) would ensure that appropriate management practices are applied. Management plans/measures for such projects would reference the appropriate standards.

UNDP ensures that the application of national regulatory requirements or good management practices (e.g. GIIP) address any applicable SES requirements. If not, additional mitigation measures need to be incorporated into management plans, including, where relevant, SES-specific management instruments, such as an abbreviated Resettlement Action Plan, an Indigenous Peoples Plan, etc.

## 5.2 Substantial and High Risk Projects

As noted in the previous section, Substantial and High Risk projects require extensive forms of assessment and management plans (with differences in scope and depth). The forms of such management plans will vary depending on the type of assessment conducted.

All Substantial and High Risk projects with potential “downstream” (e.g. having a physical footprint) adverse risks and impacts require an Environmental and Social Management Plan. An ESMP is a key output of the ESIA process. The ESMP is designed to ensure compliance with the applicable legal and regulatory framework, including international obligations and applicable UNDP SES requirements. The ESMP defines desired social and environmental management outcomes and specifies social and environmental indicators, targets, or acceptance (threshold) criteria to track ESMP implementation and effectiveness. It also provides estimates of the human and financial resources required for implementation and identifies the organizational structure, roles and responsibilities and processes for implementation. Typically, a safeguards officer hired to the environmental and social unit of the implementing partner will have primary responsibility for tracking ESMP implementation, which needs to be responsive to changes in project circumstances, unforeseen events, and the results of monitoring. Annex 4 provides an indicative ESMP outline.

ESMPs may reflect or be linked to specific management plans as required by applicable SES Programming Principles and/or Project-level Standards (e.g. Resettlement Action Plans/Livelihood Action Plans, Indigenous Peoples Plans, Biodiversity Action Plans, Cultural Heritage Management Plans, Emergency Preparedness and Response Plans).

Substantial and High Risk projects with potential adverse social and environmental effects associated with chosen programmes, policies and plans (PPPs) require a SESA which typically includes an action matrix that summarizes policy, institutional, and governance recommendations. The matrix outlines key actions, monitoring and institutional measures to address anticipated adverse impacts (see Annex 6 for key steps in undertaking a SESA and an indicative matrix).

Where UNDP is directly supporting a SESA process, it needs to ensure that the management measures (embedded in the SESA policy recommendations, institutional strengthening, governance reforms) comply with national laws and regulations and international obligations and are consistent with UNDP's SES. An

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<sup>10</sup> For example, application of standards contained in the World Bank Group's Environmental, Health and Safety Guidelines – technical reference documents with general and industry-specific examples of Good International Industry Practice (GIIP), available at [www.ifc.org/ehsguidelines](http://www.ifc.org/ehsguidelines).

ESMF may be an output of the SESA for projects that include or anticipate “downstream” interventions that may pose potentially significant adverse risks and impacts (see section 4.2 and Annex 5).

### 5.3 Implementation, Monitoring, Reporting

Management plans include monitoring and reporting requirements that are to be fully integrated into the project’s overall monitoring plan. This includes tracking social and environmental risks and management measures through the Project Risk Register (entered as risk management actions).

The extent of monitoring will be proportionate to the nature of the project, the project’s social and environmental risks and impacts, and compliance requirements.

UNDP requires monitoring of the following:

- i. progress of implementation of mitigation/management plans required by the SES
- ii. complaints and grievances from project-affected stakeholders
- iii. follow-up on any identified corrective actions, and
- iv. completion and disclosure of any required monitoring reports on SES implementation (including on-going reporting to project-affected stakeholders).

A project should not be considered complete until the measures and actions set out in the management plan have been implemented.

Where appropriate, stakeholders and third parties, such as independent experts, local communities or NGOs, should complement or verify monitoring activities. The role of local governments should also be considered in monitoring activities.

For projects with potentially significant social and environmental risks and impacts, the implementing partner needs to provide periodic reports to the project-affected communities that describe progress with implementation of project management measures and action plans and on issues that the consultation process or grievance mechanisms have identified as a concern.

Any material change or additions to the mitigation measures or action plans are communicated to affected communities. Reports are provided at a frequency proportionate to the concerns of affected communities but not less than annually. The ESMP needs to include reporting requirements.

The project’s overall monitoring plan includes tracking progress against results indicators and regular updates to the Project Risk Register. Project management regularly reviews the data and makes course corrections as necessary (which may also be in response to actions requested by relevant regulatory authorities and feedback from stakeholders, including project-affected communities).<sup>11</sup>

Based on the monitoring results, any necessary corrective actions are undertaken. The implementing partner needs to promptly notify UNDP and stakeholders of any incident or accident related to the project activities that has had (or is likely to have) significant adverse impacts on people or the environment. Immediate measures are to be undertaken by the responsible partner to address and remedy the incident or accident, and to prevent any recurrence. Similarly, where monitoring indicates a potential lack of compliance with project commitments, including in addressing SES requirements, the implementing partner informs UNDP which works with the partner to bring the project back into compliance.

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<sup>11</sup> Where projects involve significant construction activities, an independent supervision company may be engaged to assist with monitoring. UNDP should ensure it receives any independent monitoring reports.

If there are substantive changes to the project during implementation or changes in the project context that alters the project's risk profile, then rescreening, assessment and revised management measures may be required (see Figure 1 at the beginning of this Guidance Note).

UNDP's review activities may include:

- reviewing monitoring reports, conducting site visits and reviewing project-related information
- reviewing compliance with SES requirements
- advising partners on how to manage issues related to the SES
- communicating risks and probable consequences of failure to comply with the SES requirements, and initiating remedies if the partner fails to (re)establish compliance.

## Annex 1. Guidance on Conducting/Reviewing an ESIA

This document provides specific guidance on the key steps that should be taken to conduct an ESIA. UNDP's SES requires that Substantial and High Risk projects with physical footprints ("downstream" projects) undertake an ESIA.

The guidance can be helpful to inform the review of existing assessments produced by partners (or internally within UNDP), or as a reference for drafting a Terms of Reference for an ESIA where the assessment is yet to be undertaken (see Annex 2).

The assessment process outlined below is now standard international practice, and there are various guidance tools available that can be referred to for additional guidance (see [UNDP's SES Toolkit](#)).

Many countries have legal frameworks in place for environmental impact assessment (EIA), which must be adhered to. At the same time, the degree to which social dimensions are fully integrated into national assessment requirements is variable. UNDP requires assessments that examine potential social and environmental impacts in an integrated manner.

UNDP requires that all relevant requirements of the UNDP Social and Environmental Standards (SES) be addressed during the social and environmental assessment process. The SES also require stakeholder engagement and disclosure of information throughout the assessment process.

### Key Stages of the ESIA Process

The key stages of an ESIA process are summarized in Table A1.1 and elaborated further below.

**Table A1.1. Summary of the ESIA Process**

Stages	Steps/main tasks within each stage
<p><b>Stage 1: Screening</b></p> <p><b>Key components:</b> Complete UNDP Social and Environmental Screening Procedure (SESP)</p>	<p>Conduct Social and Environmental Screening to identify potential risks and their significance, identify relevant requirements of UNDP's SES, and determine risk category of project and nature of further assessment that may be required</p>
<p><b>Stage 2: Scoping</b></p> <p><b>Key components:</b> Where initial studies and analysis have not been conducted, it is important to undertake a scoping exercise early in the assessment process (i) to identify and focus the social and environmental assessment on key issues, and (ii) to establish a logical roadmap for the assessment process.</p>	<p>Determine the social and environmental issues to be addressed, spatial and temporal focus, data and information needed and level of analysis required to assess the impacts</p>
	<p>Determine data availability</p>
	<p>Prepare ToR for the ESIA</p> <p>Early consultations with stakeholders, partners, and project-affected communities on scope of assessment (e.g. ToR) and develop stakeholder engagement plan</p>
<p><b>Stage 3: Conducting an ESIA</b></p> <p><b>Key components:</b> Based on a clearer definition of the project to be implemented, collect necessary data/information and assess full range of impacts and examine project alternatives. Report</p>	<p>Further detail and define the proposed project</p>
	<p>Develop baseline environmental and social information, including more detailed stakeholder analysis</p>
	<p>Review policy, legal/regulatory and institutional framework</p>

Stages	Steps/main tasks within each stage
the results of the assessment and make a draft available publicly for consultation.	Examine project alternatives, including the no project scenario, and revise project design
	Analyze and evaluate impacts
	Prepare ESIA Report
<b>Stage 4: Preparing an environmental and social management plan</b>  <b>Key components:</b> Based on relevant findings of the assessment and the results of consultations with the project stakeholders, define measures that will be needed to, <i>inter alia</i> : avoid, and if avoidance is not possible, minimize, mitigate and manage expected adverse impacts of the project (per the mitigation hierarchy); monitor impacts and mitigation options/measures; build capacities, and communicate results of the environmental and social management plan (ESMP).	Define social and environmental impact mitigation actions/measures per the mitigation hierarchy
	Detail social and environmental monitoring to be conducted during project implementation
	Develop a plan to assess and build capacity to implement the environmental and social management plan and other project environmental and social components
	Disclose draft ESIA and ESMP, consult with project-affected stakeholders and develop a plan to communicate progress with implementation and effectiveness of the environmental and social management plan
<b>Stage 5: Appraising an ESIA/ESMP and Integrating Management Measures in Project and Budget</b>  <b>Key components:</b> Appraisal should ensure that the ESIA/ESMP provides information required for decision-making and that proposed actions are designed to meet national/local regulations and requirements of UNDP SES. Recommendations of ESIA/ESMP need to be adequately incorporated into project design, work plans and budget.	ESIA meets its terms of reference, both procedurally and substantively
	Provides an accurate and complete evaluation of the proposed project
	Describes specific mitigation, monitoring and capacity development measures that comply with applicable law, regulations, and UNDP SES
	Assesses capacity of institutions responsible for implementing social/environmental management
	Developed through a consultative process with strong stakeholder engagement
	Assesses the adequacy of costs and financing arrangements for social and environmental management implementation

### Stage 1: Screening

UNDP requires that the Project Developer screens the proposed project with UNDP's Social and Environmental Screening Procedure (SESP), with a few exceptions.<sup>12</sup> The objectives of the SESP are to:

- integrate the SES Programming Principles (i.e. human rights, gender equality and women's empowerment, sustainability and resilience, accountability) to strengthen social and environmental sustainability
- identify potential social and environmental risks and their significance

<sup>12</sup> See SESP, para. 7.



- determine a project’s risk category (Low, Moderate, Substantial, High), and
- determine the level of social and environmental assessment and management required to address potential risks and impacts.

Projects categorized as Moderate Risk require targeted forms of social and environmental assessment and do not require an ESIA. Substantial and High Risk Projects require an ESIA or SESA.

See [UNDP’s SES Toolkit](#) for SESP guidance and templates.

UNDP’s screening process assists in determining the applicability of specific SES Programming Principles and/or Project-level Standards. Where applicable, the requirements of the relevant Principle/Standard must be addressed during the assessment and management process.

## ***Stage 2: Scoping and Preparing Terms of Reference for an ESIA***

When a Project Developer is asked/required to assist or lead in developing a Terms of Reference for an ESIA, a number of considerations are required. These include:

- Scoping parameters of ESIA. Where initial studies and analysis have not been conducted, it is important to undertake a scoping exercise early in the assessment process (i) to identify and focus the social and environmental assessment on key issues, and (ii) to establish a logical roadmap for the assessment process. The scoping exercise typically informs the drafting of a Terms of Reference for the ESIA. The scoping exercise will vary depending on the range and complexity of potential social and environmental impacts. Scoping typically builds on the results of the screening and involves the following tasks/components:
  - An *initial* identification of significant social and environmental issues and potential adverse risks and impacts to be assessed.
  - Identification of data availability and gaps for conducting the assessment
  - Identification of national/local project planning requirements as well as relevant UNDP SES requirements that must be addressed
  - Identification of feasible project alternatives that will be considered in the assessment
  - Scoping meetings with stakeholders to establish focus areas and potential issues of concern
  - Identification of types and qualifications of specialists needed to undertake the assessment and required studies. UNDP requires that assessments for High Risk projects, and in nearly all cases Substantial Risk projects, be undertaken by independent experts.<sup>13</sup> For highly complex projects with multidimensional potential adverse impacts or projects that may be highly contentious among affected stakeholders, UNDP requires the use of independent advisory panels to assist in project preparation and implementation.
  - A summary scoping report
  - Drafting of terms of reference (ToR) for the social and environmental assessment.

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<sup>13</sup> Independent experts should not be directly affiliated with the Implementing Partner or UNDP. It is important to ensure that conflicts of interest are avoided. For example, when individuals or entities are engaged to carry out assessment activities, such activities should not be conducted by the consultants hired to prepare the project’s design.

- Prepare the Terms of Reference for the ESIA. Scoping typically informs the drafting of the ToR for the ESIA. The steps outlined in this Annex provide guidance for conducting ESIA's and may be appended to the ToR. See Annex 2 for a generic ToR for an ESIA/ESMP.
- Early consultations. Consulting project-affected communities on the project's objectives and draft terms of reference for the ESIA should be conducted to assist in identifying potential issue areas or concerns that require further attention in the conduct of the ESIA.

### ***STAGE 3: Conducting an ESIA Study***

#### **Step 1: Further Detail and Define the Proposed Project.**

The assessment must be based on a well-defined project. Based on the draft Project Document (or on additional information regarding specific project components and activities that may be defined post-PAC), the project should be further detailed to include, where relevant:

- The geographic, ecological, social and temporal context of the proposed project, including any offsite investments (i.e. associated facilities) that may be required (e.g. access roads, power plants, transmission lines, water supply, housing, and raw material and product storage facilities);
- Project location, site, and design (e.g. technology/process, facilities design, construction, operation and maintenance, and decommissioning or closure); and
- Map showing the project site, project's area of influence (as determined during the scoping phase) and sensitive environmental and social features.

#### **Step 2: Develop Baseline Information.**

The current and projected environmental and social, and physical/cultural baseline data must be presented for the project's area of influence. This should include:

- Descriptions of the relevant existing physical, biological, gender, and socio-economic conditions;
- Evaluation of any changes anticipated in these conditions before the project commences, as well as any trends in or projections of data over time after the project commences that are anticipated independently of the project, including current and proposed development activities located in the project area but not directly connected to the project; and,
- Estimation of the reliability of the information sources used and the quality of the information available, including its accuracy, precision, completeness, representativeness, etc.

The baseline data should reflect the objectives and indicators identified in the 'scoping report.' For spatial plans, the baseline can usefully include the stock of natural assets including sensitive areas, critical habitats, and valued ecosystem components. Further, information regarding the presence and exact location of indigenous peoples' communities and territories and any persons that may be affected by project-induced physical or economic displacement should be obtained. For sector plans, the baseline will depend on the main type of environmental and social impacts anticipated, and appropriate indicators can be selected (e.g. emissions-based air quality indicators for energy and transport strategies).

#### **Step 3: Review Policy, Legal/Regulatory and Institutional Framework**

Review the legal and permitting requirements as well as applicable social and environmental standards from:

- Applicable laws and regulations of the local and national jurisdictions in which the proposed project will operate.

- Applicable international obligations and agreements (e.g. Multilateral Environmental Agreements) that must be complied with.
- UNDP Social and Environmental Standards.
- Social and environmental safeguard policies and procedures of other donors and project partners.

Assess the adequacy of the identified applicable policy, legal/regulatory and institutional framework relative to implementing and sustaining the proposed project, especially the proposed mitigation, monitoring and institutional responsibilities. *Where standards differ, UNDP requires adherence to the higher standard.* Part of this analysis will also be to identify any regulations that impede one another in execution, e.g. when national legislation does not provide the legal basis for compensation for physical/economic displacement in common law. In these cases, practical solutions need to be found in collaboration with the implementing partner and included in the ESMP.

This discussion provides the legal and regulatory context for the project and helps to ensure that all relevant planning approvals are identified. It must be noted that per the SES (para. 30), UNDP will not support activities that do not comply with national law and obligations under international law, whichever is higher (“Applicable Law”).

Step 4: Examine Project Alternatives and Revise Project Design.

Systematically review and compare feasible<sup>14</sup> project alternatives identified during scoping and initial public consultation and select the preferred or most socially and environmentally sound and benign option(s) for achieving the objectives of the proposed project. Potential type and scale of likely social and environmental impacts associated with different alternatives should be considered. Consider all types of alternatives related to overall approach and project design, including the “no action” alternative. Factors to consider include:

- |  |  |
|--|--|
| • Project site locations <sup>15</sup> | • Facilities designs                           |
| • Timing                               | • Construction                                 |
| • Scales                               | • Operation and maintenance                    |
| • Partners                             | • Organizational and management setups         |
| • Intensities                          | • Ways of dealing with impacts                 |
| • Technologies/processes               | • Capacity to adequately address risks/impacts |

Based on the alternatives analysis conducted above, determine what, if any, modifications will be made to the project design to improve the social and environmental sustainability of the proposed project.

Step 5: Analyze and Evaluate Risks and Impacts.

Review and refine the list of potential risks and impacts identified during the scoping process.

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<sup>14</sup> Determining feasibility of alternatives has several dimensions. Technical feasibility means the proposed measures and actions can be implemented with commercially viable skills, equipment and materials, taking into consideration prevailing local factors such as climate, geography, demography, infrastructure, security, governance, capacity and operational reliability. Financial feasibility means the ability to apply sufficient financial resources to install the measures and maintain them in operation in the long term.

<sup>15</sup> Whenever feasible, preference should be given to projects, or project components, that are sited on lands already converted (e.g. not on natural habitats). Among other factors, potential climate change risks need to be considered in project siting decisions.

This step of the assessment should consider the type, location, sensitivity and scale of the proposed project, analyze all of the likely and relevant social, environmental and related effects, including where relevant potential impacts on the following features:

- Physical: surface and ground water, air, soil, land use, landform/topography, noise, vibration, geology, seismicity and other natural hazards, resource use, waste, greenhouse gases, etc.
- Biological: terrestrial and aquatic flora and fauna, habitat, ecosystems and ecosystem services, endangered species, protected areas, invasive alien species, etc.
- Social and socioeconomic: impacts on socioeconomic conditions, human rights, livelihoods, indigenous peoples, vulnerable or marginalized groups, gender dimensions, risks of physical and/or economic displacement, occupational health and safety, cultural heritage, community health and safety, labour and working conditions. Examine if individuals or groups may be differentially or disproportionately affected because of their disadvantaged or marginalized status, and if so, ensure adverse impacts do not affect them disproportionately.<sup>16</sup>

This step should also review and refine the project's spatial and temporal area of influence established during the scoping phase. Impacts and risks must be analyzed in the context of the area of influence.

The spatial scope of potential impacts (i.e. area of influence) will encompass:

- The primary project site(s) and related facilities that UNDP and its Implementing Partners develop or control, such as buildings and facilities, protected areas, agricultural areas, fisheries, transportation, construction areas (e.g. seawalls, solar installations, roads);
- Associated facilities that are not funded or financed as part of the proposed project (funding or financing may be provided separately by the Implementing Partners or by third parties including multilateral financing institutions) but are directly related to the project, are planned to be carried out contemporaneously with the project and whose viability and existence depend on the project;
- Areas potentially impacted by cumulative impacts from the incremental adverse impacts of the project when added to other past, existing, planned or reasonably predictable future projects and developments (e.g. incremental contribution to pollutant emissions, forest depletion due to multiple logging concessions). Assessing potential cumulative impacts enlarges the scale and timeframe for assessing combined effects of multiple activities and impacts;
- Areas potentially affected by impacts from unplanned but predictable developments (indirect and induced impacts) caused by the project that may occur later or at a different location (e.g. facilitation of settlements or illegal logging in intact forest areas through expansion of adjacent agricultural activities);<sup>17</sup>
- Transboundary impacts, such as pollution of international waterways or transboundary river basins, airsheds and ecosystems; migration of populations; international relations;
- Global environmental and social impacts, e.g. greenhouse gas emissions, ozone depletion, loss of biodiversity and desertification; loss of cultural diversity and heritage.

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<sup>16</sup> Disadvantaged or marginalized status may be due to such factors as race, ethnicity, sex, age, language, disability, sexual orientation, gender identity, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority.

<sup>17</sup> It should be noted that indirect and cumulative impact analyses are concerned with impacts that are sufficiently likely to occur and not with the speculation of any impact that can be conceived of or imagined. The assessment seeks to identify all the indirect effects that are known, and make a good faith effort to explain the effects that are not known but are reasonably foreseeable and probable.

The temporal scope of potential impacts will encompass:

- Future anticipated or projected short-term impacts, e.g. increases in consumption, waste, pollution, capacity needs, and health problems resulting from the proposed project;
- Future anticipated or projected long-term impacts, e.g. indirect or secondary effects of induced unplanned development and changes in socio-economic conditions;
- Present or baseline pollution of the proposed project site or facilities, e.g. soil and ground water pollution originating from past disposal of or contamination with hazardous substances or wastes.

Impacts must also be analyzed for the key phases of a proposed project's lifecycle.

The organizational/management scope of potential impacts will include UNDP and the Implementing Partner as well as the:

- Role and capacity of third party organizations, e.g. governments, contractors (with whom the proposed project or Implementing Partner has a substantial involvement), or an operator of an associated facility (to the extent of the Project Developer's control or influence over these organizations);
- Primary suppliers<sup>18</sup> (where the resource utilized by the proposed project is ecologically sensitive, or where child labour, forced labour and/or unsafe working conditions may be involved).

Develop a methodology/grading system to further characterize and quantify the potential social and environmental impacts and to record severity in a matrix (e.g. positive and negative, long vs. short-term, reversible vs. irreversible, direct and indirect (primary and secondary), cumulative and synergistic, etc.).

Determine whether the proposed project will meet applicable social and environmental requirements (e.g. national laws and regulations, international obligations, UNDP SES) and determine what reasonable period of time will be needed. For impacts that cannot be fully mitigated, determine the relative importance and acceptability of the residual impact (e.g., additional resources needed).

The purpose is to identify 'win-win' solutions where multiple, mutually reinforcing gains can strengthen the economic base, provide equitable conditions for all, and protect and enhance social and environmental sustainability.

#### Step 6: Prepare an ESIA Report

An ESIA Report will be prepared to provide an adequate, accurate and impartial evaluation and presentation of the issues and conclusions of the assessment. This report, which is usually technical, must be presented in an understandable format and in an appropriate language(s). Draft assessments and reports, including any draft management plans, should be disclosed before project appraisal; however if the assessment is conducted as part of project implementation (see Section 4.1 of this Guidance Note), then draft assessments need to be disclosed and consulted on prior to initiation of any activities that may lead to adverse social and environmental impacts. Short summaries and graphic presentations will often be required to facilitate reading and understanding. Moreover, a non-technical summary – that can be understood by different stakeholders – should be included to facilitate and encourage comments. Where appropriate, independent expertise should be used to assist in the preparation of ESIA reports. Annex 3 provides an outline of the content of an ESIA Report. Final reports are disclosed upon completion.

## ***STAGE 4: Preparing an Environmental and Social Management Plan***

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<sup>18</sup> "Primary suppliers" are those suppliers who, on an ongoing basis, provide directly to the Project goods or materials essential for the core functions of the project.

Taking into account the relevant findings of the ESIA and the results of consultation with the project stakeholders, an Environmental and Social Management Plan (ESMP) needs to be prepared. The ESMP will be integrated into the overall project design, including the Project Monitoring Framework and Monitoring Schedule Plan.

The ESMP consists of a set of mitigation, monitoring and institutional measures, including policies, procedures and practices – as well as the actions needed to implement these measures – to achieve the desired social and environmental sustainability outcomes.

An ESMP may apply broadly across UNDP and Implementing Partner organizations for project implementation, or it may apply to specific sites, facilities, or activities relating to the proposed project. The ESMP may range from a brief description of routine mitigation and monitoring measures (e.g. for Moderate Risk projects with limited, readily identifiable potential impacts) to a series of specific plans as required by UNDP's Social and Environmental Standards (refer to specific requirements of applicable standards), including, for example, Resettlement Action Plans/Livelihood Action Plans, Indigenous Peoples Plans, Biodiversity Action Plans, Cultural Heritage Management Plans, Emergency Preparedness and Response Plans. The level of detail and complexity of an ESMP and priority of the identified measures and actions will be commensurate with the proposed project's risks and impacts. All plans will contain specific monitoring measures.

The ESMP will define desired social and environmental management outcomes and specify social and environmental indicators, targets, or acceptance (threshold) criteria to track ESMP implementation and effectiveness. It will also provide estimates of the human and financial resources required for implementation and monitoring and identify organizational structure and processes for implementation.

Recognizing the dynamic nature of the project development and implementation process, the implementation of an ESMP will be responsive to changes in project circumstances, unforeseen events, and the results of monitoring (adaptive management).

The contents for an ESMP are described below, and an outline for the ESMP is included at Annex 4. An ESMP will consist of separate sections on:

1. Social and environmental impact mitigation;
2. Social and environmental sustainability monitoring;
3. Capacity development;
4. Stakeholder engagement;
5. Implementation action plan.

*(1) Social and environmental impact mitigation.* The ESMP will include environmental and social impact mitigation actions, in accordance with the mitigation hierarchy.<sup>19</sup>

The ESMP will describe each mitigation measure, including the type of impact and social and environmental parameter(s) to which it relates, the location and frequency, timing or conditions under which the measure is required (e.g., continuously or in the event of contingencies), and provide technical details on the mitigation technology, process, equipment, design and operating procedures, as appropriate. Potential social and environmental impacts of these measures will be estimated. Linkages with other mitigation plans (e.g., for displacement, indigenous peoples, or cultural heritage) required for the proposed project will be identified.

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<sup>19</sup> See section 5 of this guidance. Also see UNDP SES Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management, para. 12 regarding conditions and limitations on use of biodiversity offsets.

(2) Social and environmental risk monitoring and reporting. The ESMP will detail the social and environmental monitoring to be conducted during project implementation to:

- Provide information about actual versus predicted social and environmental impacts;
- Measure the effectiveness and evaluate the success of mitigation, remediation and enhancement measures;
- Evaluate compliance with applicable international, national, and local policies laws, regulations, UNDP SES, other relevant performance standards, policies and procedures;
- Allow corrective action to be taken when needed.

Specifically, the ESMP will detail the:

- Mitigation measure being monitored;
- Relevant indicators to be measured;
- Sampling and analytical or other monitoring methods to be used, including staff, procedures and detection limits (where appropriate);
- Sampling or monitoring locations;
- Frequency or timing of measurements;
- Definition of thresholds that will signal the need for corrective actions.

A monitoring plan, detailing responsibilities for implementation and required site-visits, will need to be developed as part of the ESMP. In addition to recording information to track performance and establishing relevant operational controls, the monitoring plan will require the use of dynamic mechanisms, such as inspections and audits, where relevant, to verify compliance and progress toward the desired outcomes.

Monitoring activities should involve direct participation of affected stakeholders, where possible.

Stakeholder complaints or grievances are to be tracked and monitored.

Any corrective actions are also tracked and monitored by the implementing partner.

Monitoring and reporting should include data disaggregated by categories of potential beneficiary and/or affected groups and include specific gender indicators.

The monitoring plan should require the retaining of qualified and experienced external experts to verify monitoring information.

Evaluation, reporting and management of monitoring measures will also be specified in the ESMP. This will include required documentation and reporting of monitoring results and provisions for adjusting and amending the ESMP (e.g. incorporating corrective actions) in accordance with monitoring experience and feedback (see also stakeholder engagement section below).

Periodic reports are to be provided to the affected communities that describe progress with implementation of the ESMP and related action plans and on issues that the consultation process or grievance process has identified as a concern. Any material changes or additions to the mitigation measures or actions plans will be communicated to affected communities. Reports will be provided at a frequency proportionate to the concerns of affected communities but not less than annually; quarterly reporting is recommended. This reporting should be part of a broader communication and continuous stakeholder outreach plan, which clearly states responsibilities for execution.

(3) Capacity development. The ESMP will reflect the assessment of the institutional framework conducted as part of the ESIA and detail a plan to develop necessary implementation capacity, where needed. This will involve determining if there is sufficient capacity within the responsible organizations or institutions for

implementing the ESMP. If not, a determination should be made as to whether it will be possible to develop the appropriate capacity and, if so, at what cost and in what timeframe.

The capacity development section of the ESMP will:

- Recommend management arrangements for the project, including structure, roles, responsibilities, and authorities;
- Designate specific personnel, including management representative(s), with well-defined and clearly communicated lines of responsibility and authority;
- Require sufficient oversight and human and financial resources be provided on an ongoing basis to achieve effective and continuous environmental and social management throughout the life of the proposed project.

If needed, the capacity development section of the ESMP will outline a plan for strengthening capacities of UNDP staff, Implementing Partner staff, and contractors with direct responsibility for activities relevant to the social and environmental sustainability of the proposed project so that they have the knowledge and skills necessary to perform their work, including current knowledge of the host country's regulatory requirements and the applicable requirements of UNDP environmental and social policies and procedures. Capacity development will also address the methods required to perform the specific actions and measures of the ESMP in a competent and efficient manner. The capacity development plan will have the following components:

- Identification of capacity needs;
- Development of a capacity development plan to address defined needs;
- Monitoring and Evaluation of capacity development plan.

*(4) Stakeholder Engagement.* The ESMP will be developed in close consultation with project stakeholders and disclosed in draft and final form. The ESMP is to include a section that either (a) provides an overview and link to the project's Stakeholder Engagement Plan or (b) outlines a Stakeholder Engagement Plan to promote meaningful, effective consultations during project implementation, including identification of milestones for consultations, information disclosure, and periodic reporting on progress on project implementation and issues of concern to project stakeholders. The plan should also include a description of effective processes for receiving and addressing stakeholder concerns and grievances regarding the project's social and environmental performance.

If ESMP review and evaluation result in material changes in, or additions to, the mitigation, monitoring or capacity development measures or actions described in the ESMP on issues of concern to the stakeholders, the updated measures or actions will also be developed in close consultation with stakeholders and disclosed.

Periodic reports will be provided to potentially affected communities describing progress with implementation of the ESMP and on issues that the consultation process or grievance mechanism has identified as a concern. The frequency of these reports will be proportional to the concerns of the stakeholders but not less than annually. For projects designated as highly complex and sensitive, quarterly reporting should be required.

*(5) Implementation action plan (schedule and cost estimates).* For above aspects (mitigation, monitoring, capacity development, and stakeholder engagement), the ESMP provides (a) an implementation schedule for measures that must be carried out as part of the project, showing phasing and coordination with overall project implementation plans; and (b) the capital and recurrent cost estimates and sources of funds for implementing the ESMP. These figures are also integrated into the total project cost tables.



*Consultations on draft ESIA and ESMP.* Meaningful, effective and informed consultations with project-affected stakeholders should be undertaken on the draft ESIA and ESMP to ensure that the documents adequately respond to potential issues and concerns. The draft ESIA and ESMP are to be disclosed. At a minimum the draft ESIA report, which includes a summary of the draft ESMP, should be translated into local languages and made accessible with appropriate lead-time before consultation meetings. A summary of the consultation should be produced and disclosed and the draft ESIA and draft ESMP should be revised as appropriate per input from project-affected stakeholders.

### ***STAGE 5: Appraising the ESIA/ESMP***

As has been mentioned earlier, one of the main purposes of this guidance note is to provide information that will enable UNDP staff to ensure quality of the ESIA process (usually undertaken by external specialists), and appraise ESIA documentation completed by national governments or donor partners.

Appraisal should ensure that the ESIA/ESMP work:

- Meets its terms of reference, both procedurally and substantively;
- Provides an accurate and complete evaluation of the proposed project;
- Contains the information required for decision-making;
- Describes specific mitigation, monitoring and capacity development measures that comply with applicable law, regulations, and UNDP Social and Environmental Standards;
- Assesses capacity of institutions responsible for implementing social/environmental management;
- Was developed through a consultative process with strong iterative stakeholder engagement;
- Assesses the adequacy of the capacities, cost of and financing arrangements for environmental and social management implementation.

Where existing assessments are found to contain inconsistencies with the requirements of UNDP's SES, then additional assessment and, where necessary, stakeholder consultations should be undertaken.

## Annex 2. Generic Terms of Reference for ESIA/ESMP

### ***Generic Terms of Reference for Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP)***

The following document provides a generic outline of a Terms of Reference (ToR) for the preparation of an Environmental and Social Impact Assessment (ESIA) and its respective Environmental and Social Management Plan (ESMP). ESIA and ESMPs are required for projects that have been rated as Substantial or High-Risk. Both the assessment and the management plan should be carried out by an independent expert. This ToR can be tailored to respond to the specific requirements of the project. The ToR provide a non-exhaustive list of the content of an ESIA and ESMP that will need to be adapted to the specific project. Please be advised that the ESIA, as an instrument, is only suitable for projects for which the different components have been fully identified. For cases where the actual design remains pending until after PAC or even later, kindly refer to the ToR for creating an Environmental and Social Management Framework (ESMF).

### **1. Context and Background**

This section refers to the context and background in which the operation will be conducted. It should refer to any predecessor projects and government initiatives or broader policy reforms in the context of which the project was planned. It should provide information regarding the country context, recent social, economic or other developments that are relevant for the consultant's understanding.

Most projects would benefit from some insight of how the relevant sector has developed in the past years, general trends, and how UNDP has built a relationship with the implementing partner (and any specific responsible parties that may execute project activities).

### **2. Project Description and Components**

This section provides a summary of project objectives, features, location and status, including an up-to-date description and delineation of the proposed project and its key components and provides information on its geographical, environmental and socio-economic and temporal context. It should include information on whether and how the project is part of a wider development programme.

Based on the screening and the initial scoping process, provide information on potentially significant social and environmental issues, risks and impacts that may have been identified.

### **3. Objectives of the Consultancy**

The general objective of the consultancy is to ensure compliance with national environmental legislation, as well as with the UNDP's Social and Environmental Standards (SES) in the context of the operation. Further, it serves to identify social and environmental impacts (positive and negative) and risks and to design respective measures to prevent, reduce, mitigate and/or offset/compensate (for) them.

Specific Objectives:

- To prepare an Environmental and Social Assessment (ESIA) and its respective Environmental and Social Management Plan (ESMP) for the operation to ensure the socio-environmental sustainability of its different components.
- The consultancy aims to analyze, evaluate and propose measures to prevent, control, mitigate, restore and/or compensate the potential environmental and social impacts of the project so that the project complies with UNDP's SES and national legislation.
- The ESIA must include management plans and other instruments detailing environmental and social requirements, in particular to guide the final design of the project and its components, including recommendations for changes to the project design as well as specific actions to be taken by contractors and subcontractors.
- Develop a consultation/stakeholder engagement plan, including an analysis of interested and affected parties, detailing documentation requirements, and dissemination of information about the project.
- Support the implementing partner (and responsible party) in carrying out meaningful consultations.

#### 4. Principal Activities

Preparation of the Environmental and Social Impact Assessment (ESIA) of the project will include the following elements and activities:

Before you start:

- Identification of data availability and gaps for conducting the assessment.
- Ensure the availability of data/information from different sources to rely on (previous site visits, secondary data, scientific literature, government-provided information, etc.)
- Determine the extent of data gathering that will be required to ensure the qualitative depth of this study and which steps will be required (site visits, interviews, literature review etc.)

**(a) Description of the Project:**

- Detailed description of the project, which will clearly identify the specific environmental and social issues related to it, including all risks and health and safety aspects.
- Analysis of the alternatives considered, justification and environmental and social foundations of the project location. Consider all types of alternatives related to overall approach and project design, including the “no action” alternative. Factors to include:
  - Project site locations<sup>20</sup>
  - Timing
  - Scales
  - Partners
  - Intensities
  - Facilities designs
  - Construction
  - Operation and maintenance
  - Organizational and management setups
  - Ways of dealing with impacts

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<sup>20</sup> Whenever feasible, preference should be given to projects, or project components, that are sited on lands already converted (e.g. not on natural habitats). Among other factors, potential climate change risks need to be considered in project siting decisions.

- Technologies/processes
- Capacity to adequately address risks/impacts
- Description of the project location and sensitive environmental and social features. It includes a map of sufficient detail, showing the project site and the area that may be affected by the project's direct, indirect, and cumulative impacts. (i.e. area of influence)
- Components and sub-components, which consider the main elements or units, support facilities, equipment or technologies to be used, raw materials, labor (construction, operation and maintenance stages), and work schedule. This includes any offsite activities that may be required (e.g., dedicated pipelines, access roads, power supply, water supply, housing, and raw material and product storage facilities), as well as the project's primary supply chain.
- How the principles of green building are incorporated (such as energy efficiency and the use of renewable resources, the environmental impact of the works, resource conservation, internal air quality, and community aspects, such as access to public transportation).
- Brief description of mechanisms and instruments for community participation (to be expanded in a separate section), including procedures for consultation and participation of groups affected and beneficiaries by the project, and mechanisms for complaints from the population directly using the services.
- Moreover, a non-technical summary – that can be understood by different stakeholders – should be included to facilitate and encourage engagement and comments.

**(b) Diagnosis of the Project's Area of Influence and Beneficiaries:**

Data collection, analysis and interpretation of all data identified from reviewing existing documentation and initial scoping should be gathered to describe the existing environmental and social conditions including for the biophysical and socio-economic and cultural context.

Characterization of the area of direct impacts, describing the current environmental and social conditions in the area where the project is intended to intervene or implement.

- Map of sufficient detail showing the project site and the area that may be affected by the project's direct, indirect, and cumulative impacts (i.e. area of influence)
- Socio-economic and environmental characterization, which includes presenting concise information on the main socio-environmental factors that will be affected by the project. This information, whenever possible, should be based on qualitative and quantitative data. Factors will include:
  - On the environmental side: land use, meteorology, air quality, noise, geology, soil, natural disaster risks, water resources, flora and fauna, protected areas, environmental legacies from previous projects, pollution levels, (hazardous and non-hazardous) waste generation.
  - On the socio-economic side: population, social composition, levels of urbanization, income indicators, levels of health and education, social organization systems, sanitation infrastructure (water, sewage, solid waste), energy and transport, media (newspapers, radio, TV), cultural, historical and archaeological sites or monuments in the vicinity, potential for an influx of workers from other parts of the country and negative social impacts, indigenous peoples and communities, gender patterns, vulnerability assessment.

**(c) Institutional and legal framework:**

- Description of the regulations, system and requirements for environmental licensing and land ownership, and other authorizations necessary for the implementation of the project components and works; identification of the need to complement the rules governing project implementation.
- State applicable international obligations and agreements (e.g. Multilateral Environmental Agreements) that must be complied with.
- Social and environmental safeguard policies and procedures of other donors and project partners.
- Identify any gaps between national legislation and UNDP's SES, while acknowledging that higher standards will be used. Emphasis should be given to stipulations in national or local law that may impede compliance with UNDP's SES and respective guidance or vice versa. In these cases, practical solutions need to be found in collaboration with the implementing partner and included in the ESMP.
- Identify the environmental and social studies required according to the level of socio-environmental risk, in order to comply with both national and local environmental legislation.
- Compliance with UNDP's SES:
  - State and describe each of UNDP's SES Principles and Standards.
  - Be specific about which of these requirements would be triggered/required in the context of this operation.
- Describe the environmental management instruments for use by the project, to ensure the incorporation of environmental and social variables throughout the project cycle.
- Identification of the institutions responsible for the execution and environmental and social management of the program, at the respective levels of government; roles and functions of each of the institutions, identifying the needs for institutional strengthening.
- References to international good practices, such as those contained in the [World Bank Group Environmental Health and Safety Guidelines](#).

**(d) Main Environmental and Social Impacts:**

- Develop a methodology/grading system for impacts to record severity in a matrix (long vs. short-term, reversible vs. irreversible etc.);
- Identification, analysis and rating of the environmental and social impacts of the project and for each of potential subprojects during the different phases of the project cycle (preparation, operation, maintenance etc.), including those impacts related to health and safety in the construction, operation and maintenance stages;
- Consideration of positive and negative, direct, indirect, cumulative impacts.
- Environmental viability of the program, by weighing the damages against the environmental and social benefits; evaluation of the effectiveness of the measures to control negative impacts; verification of compliance with environmental criteria and standards; and measures to prevent and mitigate environmental and social risks;
- Areas potentially impacted by cumulative impacts from the incremental adverse impacts of the project when added to other past, existing, planned or reasonably predictable future projects and developments (e.g. incremental contribution to pollutant emissions, forest depletion due to multiple logging concessions). Assessing potential cumulative impacts enlarges the scale and timeframe for assessing combined effects of multiple activities and impacts;
- Areas potentially affected by impacts from unplanned but predictable developments (indirect and induced impacts) caused by the project that may occur later or at a different location (e.g.

- facilitation of settlements or illegal logging in intact forest areas through expansion of adjacent agricultural activities);
- Transboundary impacts, such as pollution of international waterways or transboundary river basins, airsheds and ecosystems; migration of populations; international relations;
  - Global environmental and social impacts, e.g. greenhouse gas emissions, ozone depletion, loss of biodiversity and desertification; loss of cultural diversity and heritage.

The temporal scope of potential impacts will encompass:

- Future anticipated or projected short-term impacts, e.g. increases in consumption, waste, pollution, capacity needs, and health problems resulting from the proposed project;
- Future anticipated or projected long-term impacts, e.g. indirect or secondary effects of induced unplanned development and changes in socio-economic conditions;
- Present or baseline pollution of the proposed project site or facilities, e.g. soil and ground water pollution originating from past disposal of or contamination with hazardous substances or wastes.

The organizational/management scope of potential impacts will include UNDP and the implementing partner as well as the:

- Role and capacity of third-party organizations, e.g. governments, contractors (with whom the proposed project or implementing partner has a substantial involvement), or an operator of an associated facility (to the extent of the Project Developer's control or influence over these organizations);
- Primary suppliers<sup>21</sup> (where the resource utilized by the proposed project is ecologically sensitive, or where child labor, forced labor and/or unsafe working conditions may be involved).

[Annex 3 of the UNDP SES Guidance Note on Social and Environmental Assessment and Management provides an indicative outline for preparing an ESIA report.]

**(e) Preparation of the Environmental and Social Management Plans (ESMP) for the project.**

The ESMP consists of a set of mitigation, monitoring and institutional measures, including policies, procedures and practices – as well as the actions needed to implement these measures – to achieve the desired social and environmental sustainability outcomes. An ESMP may apply broadly across UNDP and Implementing Partner organizations for project implementation, or it may apply to specific sites, facilities, or activities relating to the proposed project. The ESMP may range from a brief description of routine mitigation and monitoring measures (e.g. for Substantial Risk projects with limited, readily identifiable potential impacts) to a series of specific plans as required by UNDP's Social and Environmental Standards (refer to specific requirements of applicable standards), including, for example, Resettlement Action Plans/Livelihood Action Plans, Indigenous Peoples Plans, Biodiversity Action Plans, Cultural Heritage Management Plans, Emergency Preparedness and Response Plans. The level of detail and complexity of an ESMP and priority of the identified measures and actions will be commensurate with the proposed project's risks and impacts. All plans will contain specific monitoring measures.

The ESMP will define desired social and environmental management outcomes and specify social and environmental indicators, targets, or acceptance (threshold) criteria to track ESMP implementation and

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<sup>21</sup> "Primary suppliers" are those suppliers who, on an ongoing basis, provide directly to the Project goods or materials essential for the core functions of the project.

effectiveness. It will also provide estimates of the human and financial resources required for implementation and monitoring and identify organizational structure and processes for implementation.

Recognizing the dynamic nature of the project development and implementation process, the implementation of an ESMP will be responsive to changes in project circumstances, unforeseen events, and the results of monitoring (adaptive management).

Essential components of an ESMP:

- Measures to mitigate negative impacts during operations, and evaluation of their effectiveness. Mitigation measures must be identified for each impact/risk that was identified during the ESIA-process;
- Flow chart of the project's actions, identifying the stages and times of execution of the environmental and social management actions;
- Description of the environmental monitoring plan in the construction and operation stages of the project, identifying the parameters to be measured, the places of measurement, the methods used and the periods/frequencies in which the measurements will be made, the costs, and the institutions responsible (see separate section);
- Identification of a set of sensible, readily measurable quantitative and qualitative indicators of the mitigation measures proposed for the main impacts and risks that accompany the implementation of the project (see separate section);
- Contingency and Emergency Response Plan, such as for accidents, fires, floods, earthquakes (among those that apply);
- Reporting template for the implementing partner (and/or responsible party) that include said indicators and provide clear guidance on how to measure them.

(1) Social and environmental impact mitigation. The ESMP will include environmental and social impact mitigation actions, in accordance with the following, listed in descending order of preference (i.e. the mitigation hierarchy):

- Avoid, prevent or eliminate environmental and social risks and adverse impacts, wherever technically and financially feasible; for proposed projects involving existing facilities, remediation may need to be undertaken instead of, or in addition to, mitigation;
- Where it is not technically or financially feasible to avoid, prevent or eliminate risks and impacts, identify measures and actions to minimize and mitigate impacts so that the project operates in compliance with applicable international, national and local environmental and social laws and regulations and UNDP requirements, or achieves acceptable levels of impacts otherwise defined and agreed;
- Where it is not technically or financially feasible to minimize and mitigate risks and impacts, identify measures to offset them by enhancing the proposed project's positive environmental and social impacts;<sup>22</sup>
- Where avoidance, mitigation and offset measures are not technically or financially feasible, identify compensatory measures to balance the residual adverse impacts.

The ESMP will describe each mitigation measure, including the type of impact and social and environmental parameter(s) to which it relates, the location and frequency, timing or conditions under which the measure is required (e.g., continuously or in the event of contingencies), and provide technical details on the

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<sup>22</sup> Refer to UNDP SES Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management, para. 12 regarding conditions and limitations on use of biodiversity offsets.

mitigation technology, process, equipment, design and operating procedures, as appropriate. Potential social and environmental impacts of these measures will be estimated. Linkages with other mitigation plans (e.g., for displacement, indigenous peoples, or cultural heritage) required for the proposed project will be identified.

(2) Social and environmental risk monitoring and reporting. The ESMP will detail the social and environmental monitoring to be conducted during project implementation to:

- Provide information about actual versus predicted social and environmental impacts;
- Measure the effectiveness and evaluate the success of mitigation, remediation and enhancement measures;
- Evaluate compliance with applicable international, national, and local policies laws, regulations, UNDP SES, other relevant performance standards, policies and procedures;
- Allow corrective action to be taken when needed.

Specifically, the ESMP will detail the:

- Mitigation measures being monitored;
- Parameters to be measured; introduction of sensible indicators to measure the implementation of mitigation measures.
- Sampling and analytical or other monitoring methods to be used, including staff, procedures and detection limits (where appropriate);
- Sampling or monitoring locations;
- Frequency or timing of measurements;
- Definition of thresholds that will signal the need for corrective actions.
- Define responsibilities for monitoring and reporting during the life cycle of the project.

In addition to recording information to track performance and establishing relevant operational controls, the monitoring plan will require the use of dynamic mechanisms, such as inspections and audits, where relevant, to verify compliance and progress toward the desired outcomes. Monitoring activities should involve direct participation of affected stakeholders, where possible. Stakeholder complaints or grievances are to be tracked and monitored and any corrective actions are also tracked and monitored.

Monitoring and reporting should include data disaggregated by categories of potential beneficiary and/or affected groups and include specific gender indicators. The monitoring plan should require the retaining of qualified and experienced external experts to verify monitoring information.

Evaluation, reporting and management of monitoring measures will also be specified in the ESMP. This will include required documentation and reporting of monitoring results and provisions for adjusting and amending the ESMP (e.g. incorporating corrective actions) in accordance with monitoring experience and feedback (see also stakeholder engagement section below). A monitoring plan, detailing responsibilities for its implementation and required site-visits will need to be developed as part of the ESMP.

Periodic reports are to be provided to the affected communities that describe progress with implementation of the ESMP and related action plans and on issues that the consultation process or grievance process has identified as a concern. Any material changes or additions to the mitigation measures or actions plans will be communicated to affected communities. Reports will be provided at a frequency proportionate to the concerns of affected communities but not less than annually; quarterly reporting is recommended. This reporting line should be part of a broader communication and continuous stakeholder outreach plan, which clearly states responsibilities for execution.



(3) Capacity development. The ESMP will assess and detail a plan to develop implementation capacity, where needed. This will involve a capacity assessment of the implementing partner itself and any affiliated organizations or institutions for implementing the ESMP. If not, a determination should be made as to whether it will be possible to develop the appropriate capacity and, if so, at what cost and in what timeframe.

The capacity development section of the ESMP will:

- Recommend management arrangements for the project, including structure, roles, responsibilities, and authorities;
- Designate specific personnel, including management representative(s), with well-defined and clearly communicated lines of responsibility and authority;
- Require sufficient oversight and human and financial resources be provided on an ongoing basis to achieve effective and continuous environmental and social management throughout the life of the proposed project.

If needed, the capacity development section of the ESMP will outline a plan for strengthening capacities of UNDP staff, Implementing Partner staff, and contractors with direct responsibility for activities relevant to the social and environmental sustainability of the proposed project so that they have the knowledge and skills necessary to perform their work, including current knowledge of the host country's regulatory requirements and the applicable requirements of UNDP environmental and social policies and procedures. Capacity development will also address the methods required to perform the specific actions and measures of the ESMP in a competent and efficient manner. The capacity development plan will have the following components:

- Identification of capacity needs;
- Development of a capacity development plan to address defined needs;
- Monitoring and Evaluation of capacity development plan.

(4) Implementation action plan (schedule and cost estimates). For above aspects (mitigation, monitoring, capacity development, and stakeholder engagement), the ESMP provides (a) an implementation schedule for measures that must be carried out as part of the project, showing phasing and coordination with overall project implementation plans; and (b) the capital and recurrent cost estimates and sources of funds for implementing the ESMP. These figures are also integrated into the total project cost tables.

#### **(f) Public Consultation and Disclosure Procedures**

The ESMP will be developed in close consultation with project stakeholders and disclosed in draft and final form. The ESMP is to include a section that either (a) provides an overview and link to the project's Stakeholder Engagement Plan (it may be necessary to update the project SEP with new stakeholder information from the ESIA/ESMP process) or (b) outlines a Stakeholder Engagement Plan to promote meaningful, effective consultations during project implementation, including identification of milestones for consultations, information disclosure, and periodic reporting on progress on project implementation and issues of concern to project stakeholders. The plan should also include a description of effective processes for receiving and addressing stakeholder concerns and grievances regarding the project's social and environmental performance.

Actions:

- Conduct a stakeholder analysis that outlines the affected and interested parties, explains the methodology for their identification (ideally with a rating system/matrix for how strongly they are impacted or how strong their interest in the project is).

- In many cases, national or regional legislation also requires some kind of consultative process. It is required to verify these regulations and, if possible, align them with what is required under UNDP's SES.
- Provide a consultation plan, informing about
  - planned consultation events,
  - information material,
  - attendance recording
  - measures for encouraging the participation of women and the elderly.
- After the consultation event(s), document and update the consultation section with:
  - Description of the event.
  - General atmosphere of the event.
  - Questions asked and which answers were provided.
  - Any suggestions for project improvement that were taken into consideration.
  - Include scanned attendance lists.
  - Photos/Videos of the event(s).
- Support the implementing partner in conducting the consultations/stakeholder engagement process. The draft environmental and social assessment with its environmental and social management plan needs to be consulted with the affected people. Therefore, consultations should take place when the environmental and social documents are ready for sharing, but prior to be finalized.
- The Consultant will coordinate with the institution in charge of implementing the operation and with the corresponding local institutions the most appropriate consultation mechanism, taking into account national regulations, the local context and existing social standards for these cases.
- This consultation will be the opportunity to have a dialogue that will help to improve the design, promote a better understanding of the operation and increase the chances of success and sustainability of the project.
- In addition, the consultation must promote the participation of women, indigenous communities , marginalized and disadvantaged groups during the consultation process, and comply with national rules and regulations that apply to the consultation process.
- If ESMP review and evaluation result in material changes in, or additions to, the mitigation, monitoring or capacity development measures or actions described in the ESMP on issues of concern to the stakeholders, the updated measures or actions will also be developed in close consultation with stakeholders and disclosed.
- Periodic reports will be provided to potentially affected communities describing progress with implementation of the ESMP and on issues that the consultation process or grievance mechanism has identified as a concern. The frequency of these reports will be proportional to the concerns of the stakeholders but not less than annually. For projects designated as highly complex and sensitive, quarterly reporting should be required.

[Annex 4 of the UNDP SES Guidance Note on Social and Environmental Assessment and Management provides an indicative outline for preparing an ESMP.]

## 5. Reports / Deliverables

*Note: This is an example that needs to be adapted. The timeline, payment schedule and qualifications of the desired personnel (an individual or a team) depends to a large extent on the complexity of the project.*

The following reports must be submitted by the contractual party and received to the satisfaction of UNDP:

- First Report: Work plan XX (XX) days after signing the contract.
- Second Report: Environmental and Social Assessment that includes the requirements outlined in this plan as well as the stakeholder analysis and consultation plan.
- Third report: Environmental and Social Assessment with its respective Environmental and Social Management Plans for operation XX, and that includes the results of the public consultation and disclosure process.
- Fourth Report (final report): Final document, updated.

All reports must be submitted to UNDP in an electronic file. The report must include a cover page, main document, and all annexes.

The tentative timeline for the deliverables is stated below:

Report Number	Deadline for deliverable (days after signing the contract)
1	After XX (XX) days
2	After XX (XX) days
3	After XX (XX) days
4	After XX (XX) days

Approval of reports: Reports will be approved by the [specify]; the period for approval of reports will be [X] days, if after this time the supervisor does not issue any observations, the report will be considered approved.

### **Payment Schedule**

The following payments will be made according to the schedule below:

- 30% after the contract is signed and the work plan approved.
- 25 % after the delivery and approval of the first report.
- 25 % after the delivery and approval of the second report.
- 20 % after the delivery and approval of the third report.

### **Qualifications**

*Note: The qualifications stated hereinafter reflect the requirements for an individual consultant. For a highly complex operation with multiple project sites, components and increased risk, a team of consultants may need to be hired.*

- Degree/Academic Level & Years of Professional Experience: Professional with a master's degree in social and/or environmental sciences with at least 10 years' experience in socio-environmental impact management/social environmental impact assessment.

- Languages: English, XX, XX. . .

- Areas of Expertise: Socio-environmental management, evaluation of socio-environmental impact in the infrastructure sector, knowledge of the Social and Environmental Standards (SES) and Principles of UNDP, experience in working with international organizations in the sector.

- Skills: ability to work with little supervision

### **Characteristics of the Consultancy**

- Category and Modality of the Consultancy: XX

- Contract Duration: XX months.

- Place of work: External Consultancy.

- Manager or Coordinator: The coordination of the consultancy will be in charge of XX.

**Payment and Conditions:** Compensation will be determined in accordance with UNDP's policies and procedures. UNDP, in accordance with applicable policies, may contribute to travel and moving expenses. Additionally, candidates must be citizens of one of the UNDP's member countries.

**Visa and Work Permit:** ???

**Consanguinity:** ???

**Diversity:** UNDP is committed to diversity and inclusion and equal opportunity for all candidates. We welcome diversity on the basis of gender, age, education, national origin, ethnicity, race, disability, sexual orientation, religion, and HIV/AIDS status.

## Annex 3. Indicative Outline of ESIA Report

An ESIA report should include the following major elements (not necessarily in the following order):

**(1) Executive summary:** Concisely discusses significant findings and recommended actions.

**(2) Legal and institutional framework:** Summarizes the analysis of the legal and institutional framework for the project within which the social and environmental assessment is carried out, including (a) the country's applicable policy framework, national laws and regulations, and institutional capabilities (including implementation) relating to social and environmental issues; obligations of the country directly applicable to the project under relevant international treaties and agreements; (b) applicable requirements under UNDP's SES; and (c) and other relevant social and environmental standards and/or requirements, including those of any other donors and development partners. Compares the existing social and environmental framework and applicable requirements of UNDP's SES (and those of other donors/development partners) and identifies any potential gaps that will need to be addressed.

**(3) Project description:** Concisely describes the proposed project and its geographic, social, environmental, and temporal context, including any offsite activities that may be required (e.g., dedicated pipelines, access roads, power supply, water supply, housing, and raw material and product storage facilities), as well as the project's primary supply chain. Includes a map of sufficient detail, showing the project site and the area that may be affected by the project's direct, indirect, and cumulative impacts. (i.e. area of influence).

**(4) Baseline data:** Summarizes the baseline data that is relevant to decisions about project location, design, operation, or mitigation measures; identifies and estimates the extent and quality of available data, key data gaps, and uncertainties associated with predictions; assesses the scope of the area to be studied and describes relevant physical, biological, and socioeconomic conditions, including any changes anticipated before the project commences; and takes into account current and proposed development activities within the project area but not directly connected to the project.

**(5) Social and environmental risks and impacts:** Predicts and takes into account all relevant social and environmental risks and impacts of the project, including those related to UNDP's SES (Overarching Policy and Principles and Project-level Standards). These will include, but are not limited to, the following:

*(a) Environmental risks and impacts*, including: any material threat to the protection, conservation, maintenance and rehabilitation of natural habitats, biodiversity, and ecosystems; those related to climate change and other transboundary or global impacts; those related to community health and safety; those related to pollution and discharges of waste; those related to the use of living natural resources, such as fisheries and forests; and those related to other applicable standards.<sup>23</sup>

*(b) Social risks and impacts*, including: any project-related threats to human rights of affected communities and individuals; threats to human security through the escalation of personal, communal or inter-state conflict, crime or violence; risks of gender discrimination; risks that adverse project impacts fall disproportionately on disadvantaged or marginalized groups; any prejudice or discrimination toward individuals or groups in providing access to development resources and project benefits, particularly in the case of disadvantaged or marginalized groups; negative economic and social impacts relating to physical displacement (i.e. relocation or loss of shelter) or economic displacement (i.e. loss of assets or access to assets that leads to loss of income sources or means of livelihood) as a result of project-related land or

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<sup>23</sup> For example, the Environmental, Health, and Safety Guidelines (EHSGs), which are technical reference documents with general and industry-specific statements of Good International Industry Practice. The EHSGs contain information on industry-specific risks and impacts and the performance levels and measures that are generally considered to be achievable in new facilities by existing technology at reasonable cost. Available at [www.ifc.org/ehsguidelines](http://www.ifc.org/ehsguidelines).

resource acquisition or restrictions on land use or access to resources; impacts on the health, safety and well-being of workers and project-affected communities; and risks to cultural heritage.

**(6) Analysis of alternatives:** Systematically compares feasible alternatives to the proposed project site, technology, design, and operation – including the "without project" situation – in terms of their potential social and environmental impacts; assesses the alternatives' feasibility of mitigating the adverse social and environmental impacts; the capital and recurrent costs of alternative mitigation measures, and their suitability under local conditions; the institutional, training, and monitoring requirements for the alternative mitigation measures; for each of the alternatives, quantifies the social and environmental impacts to the extent possible, and attaches economic values where feasible. Sets out the basis for selecting the particular project design.

**(7) Mitigation Measures:** Summary of (with attachment of full) Environmental and Social Management Plan (ESMP) (see indicative outline of ESMP below.) The ESMP identifies mitigation measures required to address identified social and environmental risks and impacts, as well as measures related to monitoring, capacity development, stakeholder engagement, and implementation action plan.

**(8) Stakeholders.** Summarizes and links to project Stakeholder Engagement Plan or ESMP that includes plan for consultations. Includes summary of consultations undertaken for development of ESIA (see appendices).

**(9) Conclusions and Recommendations:** Succinctly describes conclusion drawn from the assessment and provides recommendations. Includes recommendation regarding the project's anticipated benefits in relation to its social and environmental risks and impacts.

**(10) Appendices:** (i) List of the individuals or organisations that prepared or contributed to the social and environmental assessment; (ii) References – setting out the written materials both published and unpublished, that have been used; (iii) Record of meetings, consultations and surveys with stakeholders, including those with affected people and local NGOs. The record specifies the means of such stakeholder engagement that were used to obtain the views of affected groups and local NGOs, summarizes key concerns and how these concerns addressed in project design and mitigation measures; (iv) Tables presenting the relevant data referred to or summarized in the main text; (v) Attachment of any other mitigation plans; (vi) List of associated reports or plans.

## Annex 4. Indicative Outline of an ESMP

An ESMP may be prepared as part of the Environmental and Social Impact Assessment (ESIA) report or as a stand-alone document.<sup>24</sup> The content of the ESMP should address the following sections:

**(1) Mitigation:** Identifies measures and actions in accordance with the mitigation hierarchy that avoid, or if avoidance not possible, reduce potentially significant adverse social and environmental impacts to acceptable levels. Specifically, the ESMP: (a) identifies and summarizes all anticipated significant adverse social and environmental impacts; (b) describes – with technical details – each mitigation measure, including the type of impact to which it relates and the conditions under which it is required (e.g., continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate; (c) estimates any potential social and environmental impacts of these measures and any residual impacts following mitigation; and (d) takes into account, and is consistent with, other required mitigation plans (e.g. for displacement, indigenous peoples).

**(2) Monitoring:** Identifies monitoring objectives and specifies the type of monitoring, with linkages to the impacts assessed in the environmental and social assessment and the mitigation measures described in the ESMP. Specifically, the monitoring section of the ESMP provides (a) a specific description, and technical details, of monitoring measures, including the parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits (where appropriate), and definition of thresholds that will signal the need for corrective actions; and (b) monitoring and reporting procedures to (i) ensure early detection of conditions that necessitate particular mitigation measures, and (ii) furnish information on the progress and results of mitigation.

**(3) Capacity development and training:** To support timely and effective implementation of social and environmental project components and mitigation measures, the ESMP draws on the environmental and social assessment of the existence, role, and capability of responsible parties on site or at the agency and ministry level. Specifically, the ESMP provides a description of institutional arrangements, identifying which party is responsible for carrying out the mitigation and monitoring measures (e.g. for operation, supervision, enforcement, monitoring of implementation, remedial action, financing, reporting, and staff training). Where support for strengthening social and environmental management capability is identified, ESMP recommends the establishment or expansion of the parties responsible, the training of staff and any additional measures that may be necessary to support implementation of mitigation measures and any other recommendations of the environmental and social assessment.

**(4) Stakeholder Engagement:** Summarizes and links to project Stakeholder Engagement Plan or outlines plan to engage in meaningful, effective and informed consultations with affected stakeholders. Includes information on (a) means used to inform and involve affected people in the assessment process; and (b) summary of stakeholder engagement plan for meaningful, effective consultations during project implementation, including identification of milestones for consultations, information disclosure, and periodic reporting on progress on project implementation. Require documentation of consultations (summaries including presentations, key points raised and responses provided, participation lists). Include information on project grievance mechanism (below) and on UNDP Accountability Mechanisms (SRM, SECU).

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<sup>24</sup> This may be particularly relevant where contractors are being engaged to carry out the project, or parts thereof, and the ESMP sets out the requirements to be followed by contractors. In this case the ESMP should be incorporated as part of the contract with the contractor, together with appropriate monitoring and enforcement provisions.

**(5) Grievance redress mechanism:** Describes effective processes for receiving and addressing stakeholder concerns and grievances regarding the project's social and environmental performance.

Describe mechanisms to provide stakeholders and potential affected communities avenues to provide feedback or grievances, and receive responses, with regard to the implementation of specific activities, policies, or regulations.

**(6) Implementation action plan (schedule and cost estimates):** For all four above aspects (mitigation, monitoring, capacity development, and stakeholder engagement), ESMP provides (a) an implementation schedule for measures that must be carried out as part of the project, showing phasing and coordination with overall project implementation plans; and (b) the capital and recurrent cost estimates and sources of funds for implementing the ESMP. These figures are also integrated into the total project cost tables. Each of the measures and actions to be implemented will be clearly specified and the costs of so doing will be integrated into the project's overall planning, design, budget, and implementation.



## Annex 5. Indicative Outline of an ESMF

This document provides an outline and key steps that should be considered when conducting or reviewing an Environmental and Social Management Framework (ESMF). The outline provided below can also be used as a general reference to assist in developing a Terms of Reference for undertaking an ESMF. See section 4.2 for further discussion on the use of ESMFs.

An ESMF sets out the principles, rules, guidelines and procedures for screening, assessing, and managing the potential social and environmental impacts of forthcoming but as yet undefined interventions. It contains measures and plans to avoid, and where avoidance is not possible, to reduce, mitigate and/or offset adverse risks and impacts. The ESMF specifies the most likely applicable social and environmental policies and requirements and how those requirements will be met through procedures for the screening, assessment, approval, mitigation, monitoring and reporting of social and environmental risks and impacts associated with the activities to be supported.

An ESMF is typically utilized when a project consists of a series of sub-projects/activities or the subsequent downstream implementation of policies, plans, programmes that cannot be fully assessed until the details of the sub-project or activities have been identified (often later in the project cycle). The ESMF ensures that the sub-project/activities are screened and assessed and that appropriate management measures are in place prior to implementation.

The ESMF procedures are to be designed to ensure compliance with the relevant social and environmental policy framework, including UNDP's SES, during the implementation of the activities. The ESMF also specifies the inter-institutional arrangements for the preparation of time-bound action plans for avoiding, and where avoidance is not possible, reducing, mitigating, and managing adverse impacts related to the future activities or policies/regulations. It also contains provisions for estimating and budgeting the costs of such measures.

The ESMF should be prepared as a stand-alone document. A draft ESMF should be prepared as early as possible so that it can be publicly disclosed and be the subject of meaningful public consultation. Early disclosure and consultations on the draft ESMF ensure that stakeholders are kept informed of relevant issues that may affect them before specific activities or policies/regulations with potentially adverse social and environmental impacts are adopted.

It is critical to ensure that implementation of the ESMF is properly supervised. Project documentation needs to specify that sub-projects/activities which may potentially cause adverse social and environmental impacts may not proceed until they are screened and assessed and that appropriate management measures are in place, according to the rules and procedures of the ESMF.

### **Indicative outline of an ESMF:**

**(1) Executive Summary:** Concise description of the ESMF including a summary of the required procedures information summarized from preliminary assessments (if conducted) and stakeholder consultations carried out during project preparation, including on the draft ESMF document.

**(2) Project description:** Concisely describes the proposed project and its social and environmental context. Summarizes project components, including typology of the future activities, sub-projects, policies, and/or regulations to be supported by the project.

**(3) Potential social and environmental impacts:** A description of the potential social and environmental risks and impacts, both positive and negative, related to typology of likely activities, sub-projects, policies, and/or regulations to be supported during project implementation. This should include a summary of, and elaboration on, the SESP findings, with discussion of the risks and impacts covered by the ESMF. Include

identification of key activities that may not proceed until they are screened and assessed, and appropriate management measures are in place.

**(4) Legal and institutional framework:** Summarizes the legal and institutional framework for the project, including the following:

(a) the country's applicable policy framework (e.g. national laws and regulations) relating to relevant social and environmental issues, including obligations of the country directly applicable to the project under relevant international treaties and agreements;

(b) likely applicable requirements under UNDP's SES, including the Principles and Standards triggered as per the SESP;

(c) other relevant social and environmental standards and/or requirements, including those of any other donors and development partners; and

(d) a gap analysis of the national social and environmental framework(s) and applicable requirements of UNDP's SES (and those of other donors/development partners).

**(5) Required procedures for screening, assessment and management:** Specify the procedures for reviewing and addressing potential social and environmental risks and impacts of specific project activities, sub-projects, policies, or regulations to be adopted/implemented, including the following:

(a) Screening of social and environmental risks and impacts and determining applicable social and environmental standards and requirements (including UNDP SES). The screening process may utilize UNDP's SESP or develop a specific screening procedure for the forthcoming type of sub-projects/activities.

(b) Appropriate types of social and environmental assessment to address identified potential social and environmental risks and impacts.

(c) Preparing and approving time-bound action plans for avoiding, and where avoidance is not possible, reducing, mitigating, and managing adverse impacts, including development of specific management plans according to applicable policies and regulations, including UNDP's SES (e.g. Environmental and Social Management Plans which would be completed post-assessment). Where likely project activities would involve impacts to indigenous peoples or cause physical or economic displacement, then targeted management frameworks should be developed (i.e. Indigenous Peoples Planning Framework, Resettlement Planning Framework; see the relevant SES guidance notes).

If some projects activities are fully specified and others are yet to be defined, then the ESMF should differentiate between the needed assessment and management actions for the well-understood activities and procedures for the forthcoming but still undefined activities.

Excluding certain types of activities from consideration will likely facilitate social and environmental risk management of subprojects and components. Exclusion lists designate activities that may not receive project-related financing. Exclusion lists may focus on certain activities (e.g. no land acquisition that causes physical displacement, no conversion of natural habitat, etc.) or risk levels (e.g. no Substantial or High Risk subprojects).

**(6) Stakeholder engagement and information disclosure process:** Summarize the Stakeholder Engagement Plan, as appropriate. Describe procedures for ensuring consultation and stakeholder engagement during assessment, development of management plans, and monitoring of social and environmental impacts associated with specific project activities. Include information disclosure requirements. Include information on how stakeholders may access project grievance mechanisms (below) and UNDP's Accountability Mechanism (SRM, SECU).

**(7) Grievance redress mechanism:** Describes effective processes for receiving and addressing stakeholder concerns and grievances regarding the project's social and environmental performance.

**(8) Institutional arrangements and capacity building:** Clear definition of roles and responsibilities of project staff and associated agencies in implementation of project activities and application of social and environmental procedures (e.g. screening, assessment, preparation of management plans, monitoring). Assess the particular institutional needs within the implementation framework for application of the ESMF, including a review of the authority and capability of institutions at different administrative levels (e.g. local, district, provincial/regional, and national), and their capacity to manage and monitor ESMF implementation. Where necessary, capacity building and technical assistance activities should be included to enable implementing agencies and involved institutions and stakeholders to implement the ESMF, including preparation, implementation and monitoring of specific social and environmental management plans/measures.

**(9) Monitoring and evaluation arrangements:** Define the monitoring and evaluation arrangements in order to monitor the implementation of the ESMF and adoption of specific social and environmental management plans/measures, including the parameters to be measured and arrangements for stakeholder participation in such monitoring. Indicate whether third party reviews (annual, semi-annual, or even quarterly for higher risk activities) are utilized to assess compliance with the SES, derive lessons learned and help improve project performance.

**(10) Implementation Action Plan (schedule and budget) for ESMF implementation.** For the above aspects (specifying procedures for screening, assessment, mitigation and management, monitoring, capacity development, and stakeholder engagement), ESMF provides (a) an implementation schedule for measures that must be carried out as part of the project, showing phasing and coordination with overall project implementation plans; and (b) the capital and recurrent cost estimates and sources of funds for implementing the ESMF. These figures are also integrated into the total project cost tables. Each of the measures and actions to be implemented will be clearly specified and the costs of so doing will be integrated into the project's overall planning, design, budget, and implementation

**(11) Annexes and List of Figures** as applicable, including ToRs for specific tasks required to implement the ESMF, as appropriate.

## Annex 6. Guidance on Conducting/Reviewing a SESA<sup>25</sup>

This document provides guidance on the key steps that should be considered when conducting a Strategic Social and Environmental Assessment (SESA). Project Developers/Managers can use this guidance either to review existing assessments produced by partners (or internally within UNDP), or as a reference for drafting a Terms of Reference for a SESA to be undertaken.

The general SESA process outlined below is generic and must be adapted to the context and focus of the particular planning process. Various resources are available for additional guidance (see [UNDP's SES Toolkit](#)).

For Substantial and High Risk projects, UNDP requires that all relevant requirements of the UNDP Social and Environmental Standards (SES) be addressed during the SESA process, including stakeholder engagement and disclosure of information.

A key strength of SESA is that it combines analytical and participatory approaches in an iterative fashion, strengthening understanding of and potential support for desired policy reforms and outcomes. The SESA helps governments formulate policies, plans, and programmes in a way that reflects inputs from key stakeholder groups and addresses the key social and environmental issues identified. Through this process, social and environmental opportunities and desirable outcomes are identified and agreed on in an effort to ensure that the chosen strategies and actions will be sustainable and contribute to the country's development objectives.

SESA should be applied at the early stages of decision to help assess whether policies, plans and programmes may give rise to potential adverse social and environmental effects.

The SESA process should link with and, where feasible, reinforce other policy appraisal approaches used to shape development policies and plans. This will help ensure that social and environmental considerations are not overlooked. For example, SESA should link, for example, with forms of poverty and social impact analysis (PSIA), country-level environmental assessments, conflict/post-conflict and disaster assessment, and other diagnostic tools.

As noted above, where projects that support planning and policy reforms include or anticipate "downstream" interventions that may pose potentially significant adverse risks and impacts, the SESA process also involves the development of an Environmental and Social Management Framework (ESMF) (see Annex 5 for an indicative outline).

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<sup>25</sup> Annex utilizes materials from OECD DAC, Applying Strategic Environmental Assessment: Good Practice Guidance For Development Cooperation, 2006, available at <http://www.oecd.org/environment/environment-development/37353858.pdf>; Kulsum Ahmed and Ernesto Sánchez-Triana, (eds.), Strategic Environmental Assessment of Policies: An Instrument of Good Governance, World Bank, 2008, available at <http://documents.worldbank.org/curated/en/2008/01/9660902/environmental-assessment-policies-instrument-good-governance>; Diji Chandrasekharan Behr and Fernando Loayza, "Guidance Note on Mainstreaming Environment in Forest Sector Reform," World Bank, 2009, available at <http://documents.worldbank.org/curated/en/2009/03/10694924/guidance-note-mainstreaming-environment-forest-sector-reform>; and FCPF Readiness Preparation Proposal Template (under "Templates"), in particular Annex 4 on SESA and ESMF, available at <https://www.forestcarbonpartnership.org/fcpf-templates-and-materials>

## Key Stages in the SESA process

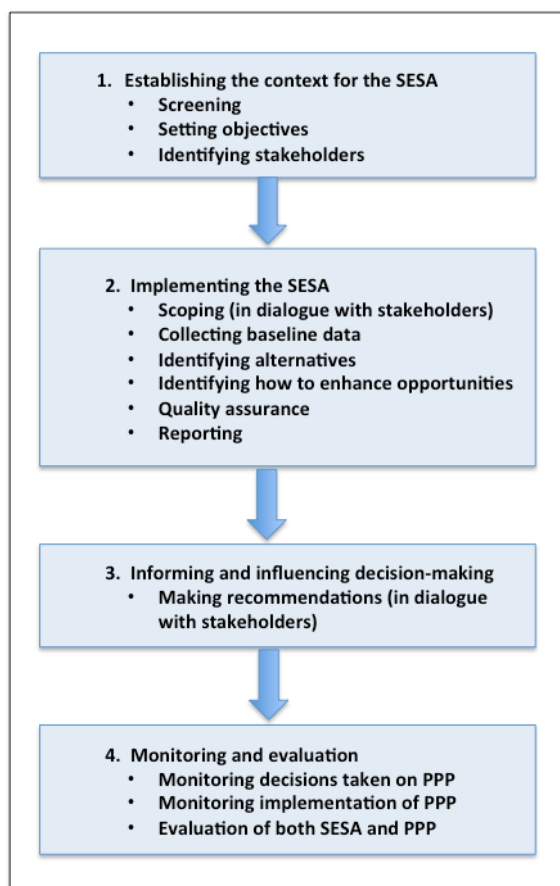
Given the wide range of contexts, levels of analysis, and thematic areas (e.g. policies, plans, programmes across any number of sectors), the focus of a SESA (and its Terms of Reference) must be adapted to the specific circumstances of the proposed PPP and activities. For example, SESA applied at the policy level requires a particular focus on the political, institutional and governance context underlying decision-making processes.

Although the steps and format of a SESA will vary depending on the method and topic, key stages for carrying out a SESA would typically include: (1) establishing the context; (2) undertaking the needed analysis and implementing the SESA in dialogue with appropriate stakeholders, including assessing potential risks and impacts; (3) informing and influencing decision making through recommendations and requiring needed management plans to mitigate potential adverse risks and impacts; and (4) monitoring and evaluation (see Figure A5.1).

### 1. Establishing the context and parameters of the SESA

- **Background description of policy, programme or plan (PPP):** SESA concisely describes the proposed policy, programme or plan (PPP) and its social and environmental context. Where relevant, the geographic area of influence of proposed PPP is described.
- **Design of SESA process.** SESA involves an iterative process of analysis and consultation with stakeholders (see below). Key principles and objectives of the SESA are described. Diagnostic processes/outputs are identified. SESA design process should include a consultation with stakeholders on the ToR to promote agreement on issue prioritization and process steps.
- **Development of stakeholder engagement plan.** A stakeholder analysis maps the actors most affected by the proposed PPP, with attention to obstacles to stakeholder engagement and representation. The Plan should establish an institutional structure that ensures meaningful participation in decision-making concerning relevant strategic issues and activities. A consultation process should clearly indicate sequenced milestones to ensure an informed participatory approach (e.g. consultation meetings, workshops, information sharing and reporting). The plan outlines public communication and information disclosure requirements and also includes a description of effective processes for receiving and addressing stakeholder concerns and grievances regarding the PPP's social and environmental issues and performance.

Figure A5.1. Basic stages of SESA



Source: OECD DAC, Applying Strategic Environmental Assessment, p. 54.

## **2. Analysis and implementation**

- **Baseline data.** Collect and assess the baseline data that is relevant to decisions about design, operation, or mitigation measures of proposed PPP; identifies and estimates the extent and quality of available data, key data gaps, and uncertainties associated with predictions; assesses the scope of the area to be studied and describes relevant physical, biological, and socioeconomic conditions, including any changes anticipated before the project commences; and takes into account current and proposed activities that may affect implementation of proposed PPP.
- **Policy, legal, and institutional capacity analysis.** SESA assesses the adequacy of the applicable legal and institutional framework for the proposed PPP, including (a) the country's applicable policy framework, national laws and regulations, and institutional capabilities relating to social and environmental issues related to the PPP; obligations of the country directly applicable to the PPP under relevant international treaties and agreements; (b) applicable requirements under UNDP's SES; and (c) other relevant social and environmental standards and/or requirements, including those of any other donors and development partners. Compares the existing social and environmental framework and applicable requirements of UNDP's SES (and those of other donors/development partners) and identifies any potential gaps that will need to be addressed.
- **Anticipated social and environmental risks and impacts.** SESA predicts and assesses the programme, plan or policy's likely positive and negative risks and impacts and their distribution, in quantitative terms to the extent possible. The analysis identifies mitigation measures and any residual adverse impacts that cannot be mitigated. It explores opportunities for social and environmental enhancement and specifies topics that do not require further attention.
- **Analysis of alternatives.** SESA systematically compares feasible alternatives to the proposed policy, programme, or plan, technology, design, and operation – including the "without" situation – in terms of their potential environmental and social impacts; the feasibility of mitigating these impacts; their capital and recurrent costs; their suitability under local conditions; and their institutional, training, and monitoring requirements. For each of the alternatives, SESA quantifies the social and environmental impacts of each alternative to the extent possible, and attaches economic values where feasible. States the basis for selecting the particular PPP design.
- **Environmental and social management framework (ESMF).** (see Annex 5)

## **3. SESA Report and Recommendations**

- **SESA Report and Recommendations.** Preparation of a concise report that summarizes (a) main findings and results of SESA, including (a) SESA stakeholder engagement process; (b) key social and environmental priorities and issues associated with chosen PPP; (c) institutional arrangements for coordinating integration of social and environmental issues into chosen PPP; (d) legal, regulatory, policy, institutional and capacity recommendations to address any identified gaps for managing the social and environmental priorities and implementing applicable social and environmental policies; (e) results of assessment of social and environmental risks/impacts associated with the implementation of PPP; (f) identification of measures (e.g. policies, institutional strengthening, governance reform) to address and manage anticipated adverse social and environmental risks and impacts, including a summary Action Matrix (see Table A2.1 below for indicative outline); and (g) where applicable, final or advanced draft of ESMF as framework for managing social and environmental risks during implementation of PPP related activities and/or policies/regulations.

## **4. Monitoring and evaluation**

- **Monitoring.** SESA specifies how implementation of the SESA recommendations (and, where applicable, the ESMF) will be monitored and evaluated by partner. The extent of monitoring activities will be commensurate with the risks and impacts associated with implementation of the PPP. Progress on

implementation of any required mitigation/management plans is monitored; complaints/grievances are tracked and monitored; follow-up on any identified corrective actions is tracked; and (iv) any required monitoring reports are finalized and disclosed.

### Generic checklist for preparing/reviewing SESAs (all types)

#### Principles and Scope

- Have adequate principles, criteria and indicators been defined for the SESA?
- Has the spatial and temporal scope of the SESA been adequately defined?
- Is there a need/opportunity for donor co-ordination in the conduct of the SESA?
- Have alternatives (to the proposed PPP) been identified and considered?
- Does/would the SESA address the requirements of UNDP's SES?

#### 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) 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?

#### 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, 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?
- Is there potential for enhancing positive effects? Have these opportunities been maximised?
- Has the quality of the assessment been independently reviewed?

#### Stakeholder engagement

- Have all relevant stakeholders had an opportunity to engage in the SESA process and to identify potential impacts and management measures?
- In particular, have the views of civil society, particularly affected communities, been included? What has been their influence in the development of the proposed PPP?

#### Capacity

- 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 and social management framework for sub-elements); and to manage, regulate and be accountable for use of natural resources? How can these institutions be strengthened?
- Is there an institutional framework to manage social and environmental impacts and major environmental resource policy and potential institutional failures?
- Is the social and environmental policy framework and legislative authority in place to respond to significant problems that might arise?

#### Influence of SESA

- Are there specific points where the SESA can have influence over PPP decisions or design?

#### 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 SESA? Are responsibilities clear?

Source: adapted from OECD-DAC, Applying Strategic Environmental Assessment, p. 70

**Table A2.1. Indicative sample of an action matrix for summarizing SESA recommendations, including measures to address anticipated social and environmental risks and impacts**

<b>Strategic Priority 1</b>						
<i>Example: Enhance community participation and benefits in sector X</i>						
<b>Priority reform area</b>	<b>Short term actions (1-2 years)</b>	<b>Short term monitorable outcomes</b>	<b>Medium-term actions (3-5 years)</b>	<b>Medium-term monitorable outcomes</b>	<b>Long-term actions (&gt; 5 years)</b>	<b>Final outcomes</b>
<i>Women's participation and employment in sector X</i>	<i>Establish mechanisms to enhance women's participation in local government and in negotiations involving companies in sector X</i>	<i>Increase participation in negotiations Increase in female employment Female participation in training programmes</i>	<i>Awareness programs for women's rights Refine and strengthen mechanisms for women's participation</i>	<i>Significant increase in female employment and training programmes</i>	<i>Reformed procedures for promoting women's participation in local and regional development</i>	<i>Gender differences significantly reduced in sector X and local and regional development processes</i>
<i>Community disputes with companies in sector X</i>	<i>Establish a dispute resolution mechanism on social and environmental issues that is accessible to community</i>	<i>Disputes between companies in sector X and local communities resolved more speedily with less conflict</i>	<i>Strengthen ability of community representatives in use of mediation to resolve disputes Strengthen ability of local governments and community representatives to investigate and motivate legal procedures against companies in sector X with poor social and environmental performance</i>	<i>Increase percentage of satisfactory settlements Time taken to settle disputes declines</i>	<i>Extend and adapt dispute resolution system to other industries associated with the sector X</i>	<i>Disputes reduced and managed effectively</i>

**Notes:**

- "Strategic priorities" are defined in the SESA process and are key SESA recommendations. Examples: enhancing benefits to communities, strengthening environmental governance, incorporating artisanal mining in mining sector.
- "Priority reform areas" are key intervention areas to support implementation of the "Strategic Priority"