

## Forest Carbon Partnership Facility (FCPF)

### Readiness Fund

#### Incorporating Environmental and Social Considerations into the Process of Getting Ready for REDD+

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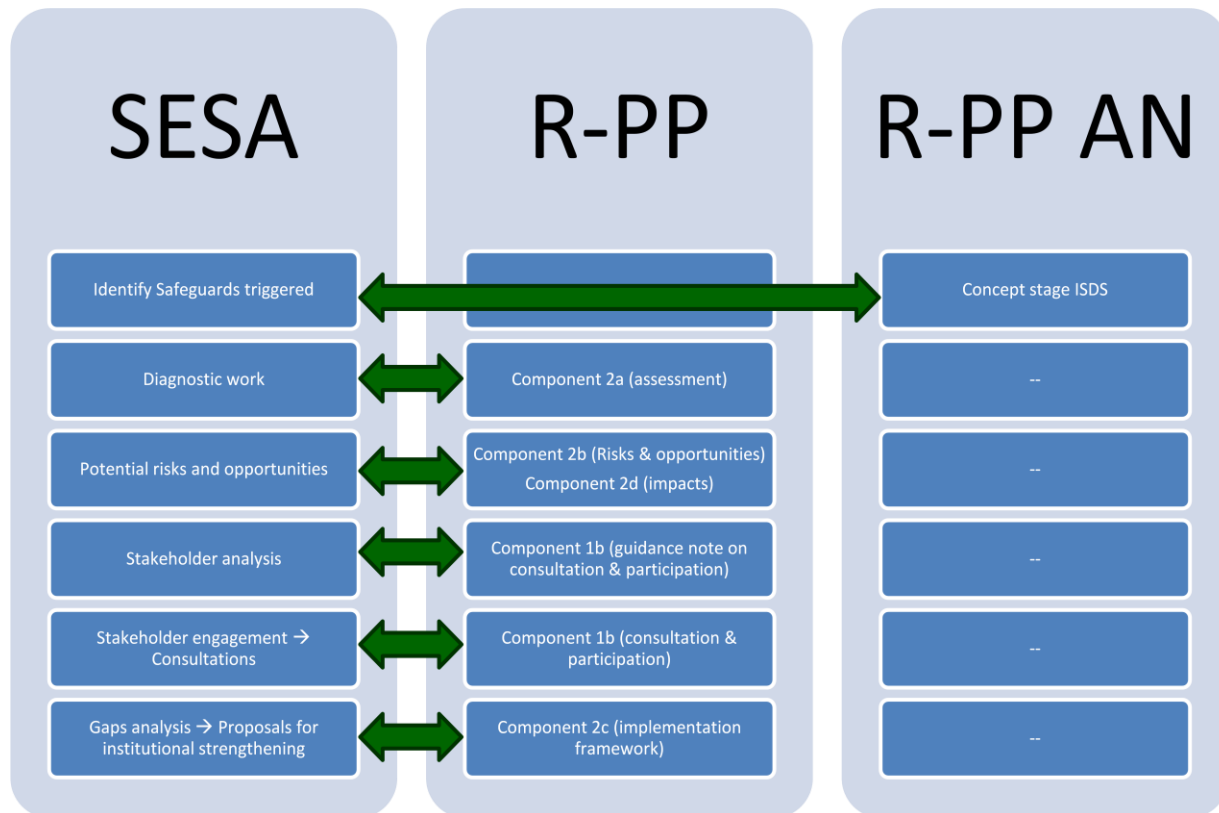
*This note presents an update on the status and use of the draft guidelines for incorporating environmental and social considerations (FMT Note 2010-9) into REDD+ readiness preparation. The feedback from the Participants Committee meeting in Gabon and other stakeholders suggested the need to rethink the approach to align the proposed work to be undertaken as part of a strategic environment and social assessment (SESA) with the overall readiness approach of the R-PP template. This note proposes to mainstream the SESA guidelines into the relevant components of the R-PP template.*

#### **Context**

1. The guidelines to assist REDD Country Participants for incorporating the social and environmental considerations of REDD+ readiness through a Strategic Environmental and Social Assessment (SESA) are contained in FMT Note 2010-9, which was presented at PC5. The guidelines are summarized below:
  - a. Undertake existing or new diagnostic work to identify and prioritize the drivers of deforestation and the key social and environmental issues associated with the drivers including those linked to the Bank safeguard policies. Diagnostic work should cover issues such as land tenure, sharing of benefits, access to resources, likely social and environmental impacts of REDD+ strategy options;
  - b. Undertake diagnostic work on legal, policy and institutional aspects of REDD+ readiness;
  - c. Assess existing capacities and capacity gaps to address the environmental and social issues identified;
  - d. Draft REDD+ strategy options taking into consideration the above environmental and social issues;
  - e. Develop framework in accordance with Bank safeguard policies to mitigate and manage the risks of the REDD+ strategy options, i.e., environmental and social management framework (ESMF);
  - f. Establish outreach, communication and consultative mechanisms with relevant stakeholders for each of the above steps.
2. With the Readiness Preparation Proposal (R-PP) as it is currently structured, REDD Country Participants are expected to reflect the above work in separate terms of reference (ToR) for component 2d of the R-PP.

**Duplication**

3. A major drawback of the current approach, as noted at PC5 and elsewhere, is the overlap and duplication of the ToR for component 2d (Social and Environmental Impacts) with those of other R-PP components. This has resulted in a lack of clarity on the relevance of the ToR for this component 2d given that the majority of analytical considerations and issues are already covered in other R-PP components. How these processes are parallel and duplicative among the SESA guidelines, the R-PP and R-PP Assessment Note (R-PP AN) is demonstrated in the chart below.



4. For example, the identification of applicable safeguard policies is integral to the R-PP AN, and is assessed as the Integrated Safeguards Data Sheet (ISDS) element of that process. Likewise the diagnostic work on identification of drivers of deforestation, analysis of past and existing policies, and associated social and environmental issues being requested in the SESA ToR is covered in the component 2a. Similarly, the feasibility of identified REDD strategy options from the standpoint of potential risks and opportunities (including social and environmental) is assessed in 2b and 2d. The feedback from countries working on a SESA suggests that there is merit in using a common stakeholder analysis and consultative process for stakeholder engagement and consultations (e.g., the Consultation & Participation plan requested in component 1b could include the consultative aspects of SESA as well). Diagnostic work for gap analysis of institutional, legal capacity needs to address the drivers of deforestation and implement REDD strategies is undertaken in component 2c. Thus, with added clarity in the template, the diagnostic

work and stakeholder consultations elements of the SESA can be completely addressed through the relevant R-PP components.

### **Proposed mainstreaming**

5. Recognizing that several aspects of the analytical work mandated for section 2d are already covered in components 2a, 2b and 2c of the R-PP template, the proposal is to eliminate redundancy and duplication in efforts resulting from seeking separate ToR for a SESA. The incorporation of social and environmental considerations into the REDD+ strategy-making process and compliance with World Bank operational policies and procedures would now be addressed as follows:

- a. Analytical aspects of social and environmental considerations as well as other related aspects, such as consultative mechanisms, are mainstreamed into the R-PP template. Language clarifying how the analytical findings will feed into the ESMF is included in the template;
- b. The ToR for section 2d will primarily address the preparation of the framework (step v of paragraph 1). Countries will prepare ToR for the preparation of the ESMF ensuring compliance with applicable World Bank safeguard policies. Sample ToR for preparation of ESMF are included in the R-PP template.
- c. Countries may prepare the ToR for preparation of the ESMF at the time of submission of R-PP but definitely before the Readiness Preparation Grant (up to \$ 3.6 m) is signed;
- d. An Environmental and Social Management Framework (ESMF) examines the issues and impacts associated with one or more possible project(s), decision(s) or activity(ies) that may occur in the future, when the impacts cannot be determined until the project(s), decision(s) or activity(ies) have been identified. An ESMF is usually prepared as a stand-alone document, and a draft ESMF should be prepared as early as possible in the Readiness preparation phase so that it can be publicly disclosed and the subject of meaningful public consultation. By disclosing and consulting meaningfully regarding the ESMF during the readiness phase, the ESMF is part of the process that helps to ensure that stakeholders are kept informed of relevant issues that may affect them before projects, decisions or activities, including investments, with environmental and social impacts, are adopted. Such decisions or activities could include, but not be limited to, adoption of legal or regulatory measures that affect land rights, or involve revenue sharing mechanisms or the definition of carbon rights. The ESMF should at least be in an advanced draft stage by the end of the implementation of the Readiness Preparation Grant. The ESMF or the advance draft ESMF would also be a part of the R-Package. It should also be noted that if a project, decision or activity to be financed by the Readiness Preparation Grant has been identified and is known to present a potential adverse environmental or social impact, the appropriate safeguard instrument(s) for said activity must also be prepared in accordance with World Bank safeguard policies.

6. In effect the guidelines of FMT Note 2010-9 will be largely incorporated into the template. The FMT will prepare guidelines for preparation of the ESMF, using elements of the current FMT Note 2010-9, as relevant.