

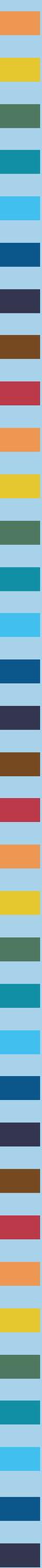


Food and Agriculture
Organization of the
United Nations

FRAMEWORK FOR ENVIRONMENTAL
AND SOCIAL MANAGEMENT GUIDANCE NOTE

ESOP 1: SCREENING, ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS





FRAMEWORK FOR ENVIRONMENTAL
AND SOCIAL MANAGEMENT GUIDANCE NOTE

**ESOP 1: SCREENING, ASSESSMENT AND
MANAGEMENT OF ENVIRONMENTAL
AND SOCIAL RISKS**

Required citation:

FAO. 2023. *ESOP 1: Screening, assessment and management of environmental and social risks - Framework for Environmental and Social Management guidance note*. Rome. <https://doi.org/10.4060/cc8446en>

The designations employed and the presentation of material in this information product do not imply the expression of any opinion whatsoever on the part of the Food and Agriculture Organization of the United Nations (FAO) concerning the legal or development status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The mention of specific companies or products of manufacturers, whether or not these have been patented, does not imply that these have been endorsed or recommended by FAO in preference to others of a similar nature that are not mentioned.

© FAO, 2023



Some rights reserved. This work is made available under the Creative Commons Attribution-NonCommercial-ShareAlike 3.0 IGO licence (CC BY-NC-SA 3.0 IGO; <https://creativecommons.org/licenses/by-nc-sa/3.0/igo/legalcode>).

Under the terms of this licence, this work may be copied, redistributed and adapted for non-commercial purposes, provided that the work is appropriately cited. In any use of this work, there should be no suggestion that FAO endorses any specific organization, products or services. The use of the FAO logo is not permitted. If the work is adapted, then it must be licensed under the same or equivalent Creative Commons licence. If a translation of this work is created, it must include the following disclaimer along with the required citation: "This translation was not created by the Food and Agriculture Organization of the United Nations (FAO). FAO is not responsible for the content or accuracy of this translation. The original [Language] edition shall be the authoritative edition."

Disputes arising under the licence that cannot be settled amicably will be resolved by mediation and arbitration as described in Article 8 of the licence except as otherwise provided herein. The applicable mediation rules will be the mediation rules of the World Intellectual Property Organization <http://www.wipo.int/amc/en/mediation/rules> and any arbitration will be conducted in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL).

Third-party materials. Users wishing to reuse material from this work that is attributed to a third party, such as tables, figures or images, are responsible for determining whether permission is needed for that reuse and for obtaining permission from the copyright holder. The risk of claims resulting from infringement of any third-party-owned component in the work rests solely with the user.

Sales, rights and licensing. FAO information products are available on the FAO website (www.fao.org/publications) and can be purchased through publications-sales@fao.org. Requests for commercial use should be submitted via: www.fao.org/contact-us/licence-request. Queries regarding rights and licensing should be submitted to: copyright@fao.org.

Cover illustration: ©Candida Villa-Lobos

Contents

Abbreviations	iv
1. Introduction	1
2. ESOP 1: basics and requirements	2
3. Screening and overall risk classification	3
3.1 <i>Screening process</i>	3
3.2 <i>Environmental and social risk classification</i>	4
4. Identification and assessment of environmental and social risks	4
5. Management of environmental and social risks and impacts	8
6. Monitoring and reporting	9
Annex 1. Environmental and social assessment: indicative outline	10
Annex 2. Environmental and social impact assessment: indicative outline	12
Annex 3. Environmental and social management framework: indicative outline	16
Annex 4. Environmental and social management plan: indicative outline	18

Abbreviations

Aoi	area of influence
ES	environmental and social
ESA	environmental and social assessment
ESIA	environmental and social impact assessment
ESM	environmental and social management
ESMF	environmental and social management framework
ESMP	environmental and social management plan
ESM Unit	Environmental and Social Management Unit (FAO)
ESOP	environmental and social operational pillars
ESS	Environmental and Social Standards
FAO	Food and Agriculture Organization of the United Nations
FESM	Framework for Environmental and Social Management
FPMIS	Field Programme Management Information System
GRM	grievance redress mechanism
LTO	lead technical officer
PTF	project task force
SEA	sexual exploitation and abuse
SEP	stakeholder engagement plan
TOR	terms of reference

1. Introduction

This guidance note supports the implementation of the Environmental and Social Standards (ESS) that sit at the heart of the Framework for Environmental and Social Management (FESM) of the Food and Agriculture Organization of the United Nations (FAO).

The nine ESS embedded in the FESM are supported by two environmental and social operational pillars (ESOP): ESOP 1 (screening, assessment and management of environmental, climate and social risks and impacts), and ESOP 2 (stakeholder engagement, information disclosure and grievance, conflict resolution and accountability mechanisms). This guidance note provides further details on how to address the requirements of ESOP 1 during the design and implementation phases of projects.

The objectives of ESOP 1 are:

- identify, evaluate and manage the environmental and social risks, impacts and opportunities of a programme or project in line with the ESS;
- by evaluating trade-offs, anticipate and avoid adverse impacts on people and the environment, or, where avoidance is not possible, minimize and mitigate these impacts according to the risk mitigation hierarchy (see Figure 1); and
- reduce or eliminate potential adverse impacts on all men, women and children, and ensure that specific socioeconomic and vulnerable groups and individuals are not disadvantaged in the sharing of the development benefits and opportunities that result from the programme or project.

Figure 1. Risk mitigation hierarchy



Source: author's own elaboration.

The screening, assessment, management and monitoring of environmental and social risks and impacts are key tools to ensure the sound environmental and social performance of projects. These steps constitute a process of identifying, predicting, evaluating and avoiding or – where avoidance is not possible – mitigating the adverse environmental and social impacts of project activities. Identifying potential risks and impacts in advance allows for informed decision-making to avoid and reduce adverse consequences and maximize potential beneficial outcomes. With an emphasis on the engagement of stakeholders, the screening, assessment and management process improves public understanding and promotes ownership of project activities.

This guidance note is structured as follows:

- Section 2 describes the basics and requirements of ESOP 1, and outlines how these requirements are applied in the project lifecycle.
- Section 3 illustrates the importance of completing the Environmental and Social Risk Screening Checklist in the Field Programme Management Information System (FPMIS), and the project risk categorization.
- Section 4 outlines the assessment requirements for each project (according to the risk category) and explains when an environmental and social assessment (ESA) or an environmental and social impact assessment (ESIA) is needed.
- Section 5 lays out the different management instruments that programmes and projects are required to develop, based on their risk categorization. This section provides a description of an environmental and social management framework (ESMF) and environmental and social management plan (ESMP).
- Section 6 outlines the requirements for monitoring and reporting.
- Lastly, the annexes provide indicative outlines of the instruments that programmes and projects need to develop in order to comply with the FESM, including ESA, ESIA, ESMF and ESMP.

2. ESOP 1: basics and requirements

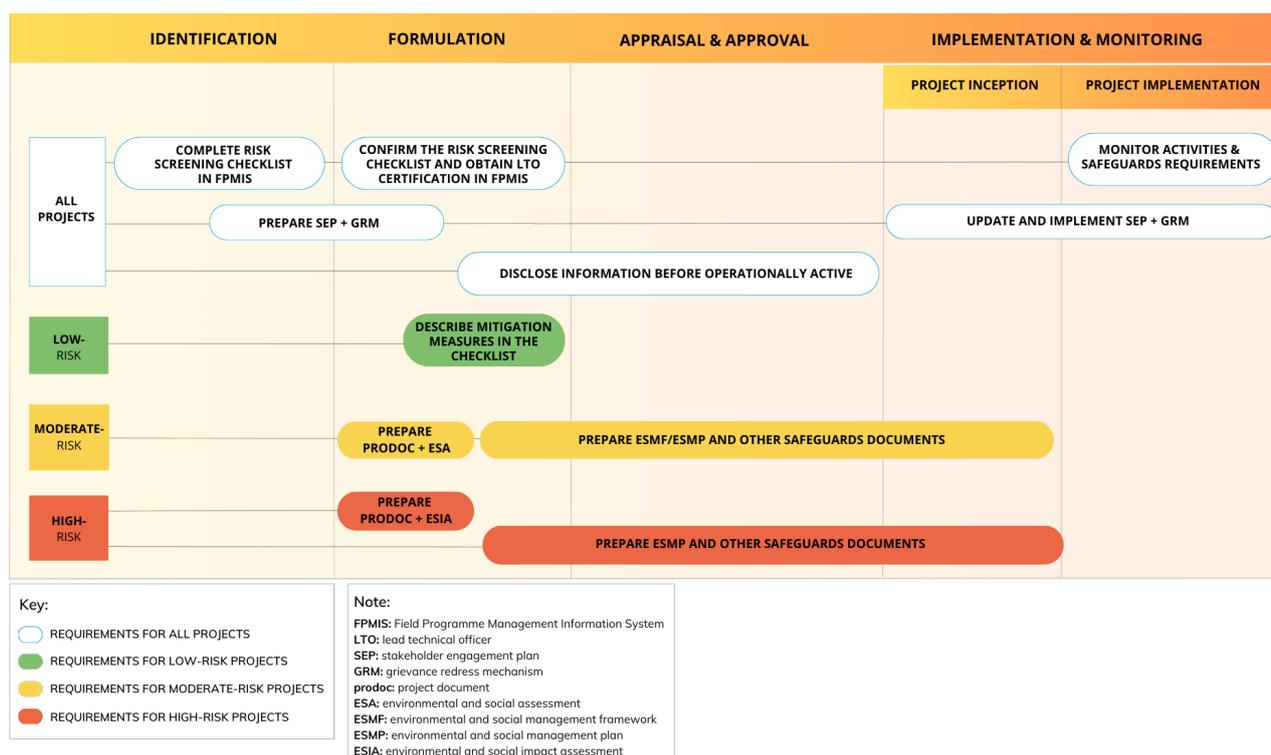
All FAO programmes and projects must adhere to the FESM and comply with the requirements of this operational pillar (ESOP 1).

Environmental and social assessment and management are generic terms used to describe the process of identifying, predicting, evaluating, avoiding or – where avoidance is not possible – mitigating the adverse environmental and social impacts of development projects. The early identification of potential risks and adverse impacts allows for better project design, informed decision-making and the avoidance and/or reduction of adverse consequences, enhancing and maximizing project benefits and opportunities. It also allows for the identification of potential residual impacts and enables better planning to address such impacts.

Comprehensive risk assessments help ensure that decision-makers are fully informed about adverse environmental and social risks. Timely assessment and management help reduce costs and enable decision-makers to anticipate issues that may arise during the implementation of projects.

At FAO, programmes and projects are required to undertake early screening and risk assessment, and to develop instruments that outline their approach to risk and impact management. The requirements vary according to the project risk categorization (low, moderate, high) and project phase, as illustrated in Figure 2. For high-risk projects, specific management plans (i.e. a biodiversity action plan or resettlement action plan) may need to be developed, depending on the standards triggered.

Figure 2. ESOP 1 requirements during the project lifecycle



Source: author's own elaboration.

3. Screening and overall risk classification

3.1. Screening process

Good screening is the first and most fundamental step in designing an efficient and effective risk assessment and mitigation process. Screening allows for the identification, avoidance and minimization of project impacts at an early stage. In FAO, this step consists of completing FAO's Environmental and Social Risk Screening Checklist in FPMIS.¹

The risk screening checklist contains specific questions related to each safeguards standard, and must be completed by the project team. During the identification phase, each question should be answered with "yes", "no" or "to be determined". Safeguard-specific questions will then be rated for likelihood and impact (consequence). Likelihood is the probability or chance of a particular event occurring, and is rated as unlikely, likely or highly likely. Impact refers to the degree to which a risk event could affect individuals or the environment, and is rated as low, moderate or high.

¹ All programmes and projects are required to complete the Environmental and Social Risk Screening Checklist, **except** projects that consist exclusively of the preparation and/or dissemination of reports, documents, communication materials and/or the organization of conferences or events.

The completion of the Environmental and Social Risk Screening Checklist during the identification phase will automatically result in the project risk classification.

The level of risk may not always be immediately apparent. During the formulation phase, the project task force (PTF) reopens and updates the checklist, and the lead technical officer (LTO) certifies it. All “to be determined” answers provided during the identification phase must now be changed to either “yes” or “no”.

The initial risk classification may change during the lifecycle of the project for different reasons, for example when updated information about the project activities, context or sites of implementation becomes available. The change can be done at any stage of the project by the LTO, subject to review by the Environmental and Social Management (ESM) Unit to identify indirect, cumulative and associated impacts.

3.2. Environmental and social risk classification

Upon completion of the Environmental and Social Risk Screening Checklist, the project will receive a risk classification. Projects can be categorized as low-, moderate- or high-risk. The risk classification indicates the requirements for addressing the risks and impacts of the project during the implementation phase, determines the level and type of assessment to be conducted, and indicates the types of safeguard instruments that will need to be developed and implemented.

Low-risk programmes and projects are those that have minimal or no adverse environmental and risks and impacts, and do not require further assessment nor risk management instruments. These projects should describe any environmental and social risk mitigation measures in the Environmental and Social Risk Screening Checklist in FPMIS.

Moderate-risk programmes and projects are those likely to have adverse environmental and social risks and impacts that are limited in scale, not unprecedented and confined to the project area. They may include a broad range of activities with varying degrees of limited environmental and social risks and impacts. In moderate-risk projects, risks and impacts can usually be identified with a reasonable degree of certainty, and can be addressed by implementing mitigation measures and standard good practices. A limited assessment may be required, as further explained in Section 4.2.

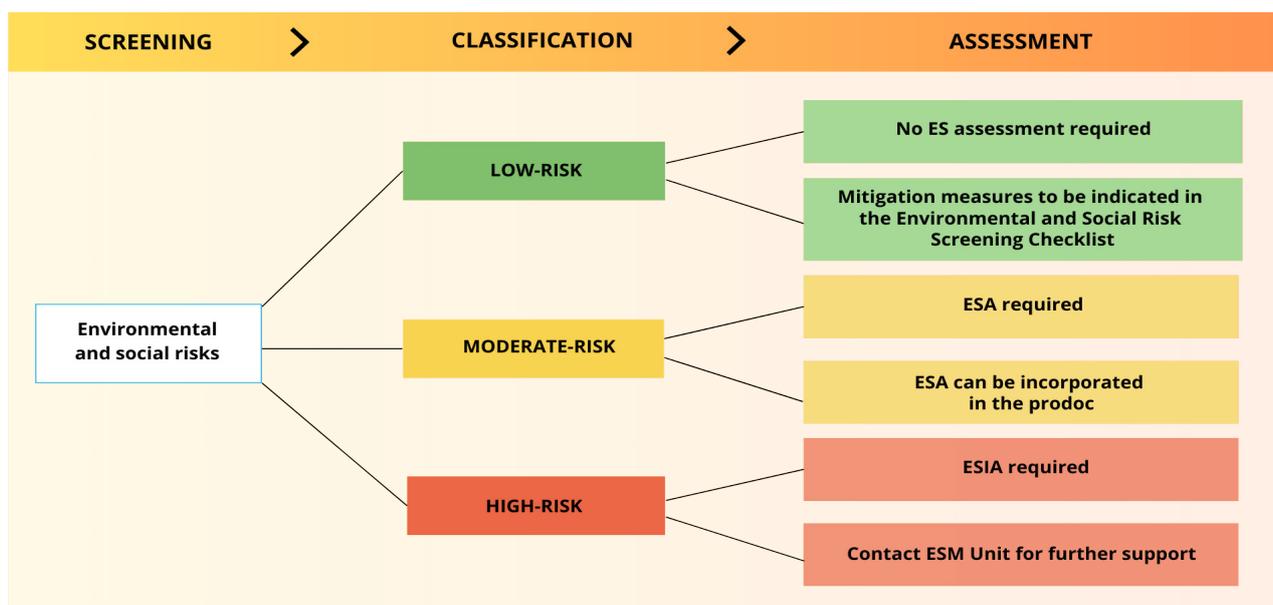
High-risk programmes and projects are those likely to have potentially significant adverse environmental and social risks and impacts that are irreversible, cumulative, unprecedented and/or raise significant concerns among potentially affected communities and individuals. They may present significant risks and impacts that extend beyond the defined activities and area of implementation, and may contribute to cumulative impacts. The risks and impacts of high-risk projects may raise significant concerns among potentially affected communities and individuals, as expressed during the stakeholder engagement process. A comprehensive assessment may be required, as further explained in Section 4.3. If a project is categorized as high-risk, the ESM Unit should be contacted as early as possible for tailored guidance.

4. Identification and assessment of environmental and social risks

As described in the previous sections, LTOs are responsible for the screening of environmental and social risks by completing the Environmental and Social Risk Screening Checklist during the identification and formulation stage. For projects that are categorized as moderate- or high-risk, additional assessments are required. For such projects, an assessment must be conducted to ensure that the risks are identified and analysed, and that mitigation measures are included as part of the project implementation.

Mitigation measures should be identified based on the mitigation hierarchy. First, the project should try to avoid any negative social and environmental impacts (e.g. by choosing different locations or adjusting the project design and activities). If avoidance is not possible without jeopardizing the main objectives of the project, measures should be taken to minimize the impacts and reduce them to acceptable levels. If this is not possible, any remaining residual impacts need to be addressed through adequate and fair compensation and mitigation measures.

Figure 3. Environmental and social assessment requirements, per risk classification



Note: ES: environmental and social, ESA: environmental and social assessment, ESIA: environmental and social impact assessment, ESM Unit: Environmental and Social Management Unit

Source: author's own elaboration.

Low-risk projects

For low-risk projects, risks should be identified and assessed, and proposed mitigation measures (if applicable) described upon completion of the risk screening checklist. Mitigation measures should also be included as target indicators in the project results framework and should be monitored throughout the project lifecycle.

Moderate-risk projects

Moderate-risk projects need to conduct an environmental and social assessment (ESA). An ESA is a broad assessment that evaluates the existing environmental and social conditions at the project location, and identifies potential risks and impacts. It is typically conducted at the early stages of project planning, and must be conducted during the project formulation phase at the latest. It is used to inform decision-making and project design. The ESA can be developed as a separate document or can be included in the project formulation document (prodoc). The FAO standard project document incorporates the elements of an ESA.

The ESA should, ideally, contain the following components:

- a) environmental and social baseline of the project location: description and assessment of the current environmental and social conditions at the project location.² For projects where the exact location is not known at the conception stage, a baseline based on high-level secondary data should suffice; however, such a baseline will have to be updated as sites are defined, prior to the implementation of project activities;
- b) description of project activities: clear outline of the scope, nature and objectives of the project activities;
- c) risk and impact identification: identify and assess potential adverse risks and impacts that the project may cause for the environment and local communities;³
- d) proposed mitigation measures: indicate the set of measures and strategies to mitigate the identified risks and impacts. During the formulation stage, this can be a generic indication which will be detailed further in the management framework/plan (i.e. ESMF, ESMP) that will be developed by the project. Mitigation measures identified in this assessment should be included as target indicators in the project results framework, and should be monitored throughout the project lifecycle;
- e) institutional and monitoring arrangements: describe the institutional framework and mechanisms that will be put in place to ensure the effective implementation of the safeguards. This includes defining roles and responsibilities and ensuring coordination among relevant stakeholders, as well as establishing monitoring and evaluation protocols. During the formulation stage, this can be a generic indication which will be detailed further in the management framework/plan (i.e. ESMF, ESMP) that will be developed by the project;
- f) safeguards budget: provide an indicative breakdown of the financial resources allocated for the development and implementation of safeguard instruments. This should include provisions for the hiring of safeguards specialists, additional assessments, capacity building and ongoing monitoring and evaluation efforts; and
- g) description of the (foreseen) stakeholder engagement plan (SEP), grievance redress mechanism (GRM) and disclosure.

In case the project uses the resource partner project document template instead of the FAO standard project document, the project document should include the above elements (which are also detailed as guiding questions in the ESA template). Projects are not required to hire external consultants to perform this assessment.

² This may encompass elements such as biodiversity, land use, socioeconomic characteristics, demographics, gender, Indigenous Peoples and cultural heritage, in other words all aspects that are relevant to the project.

³ It may be helpful to link the risks and impacts to the project activities.

Projects that involve more than one implementing agency should describe how the project will comply with FAO's safeguards policy, and detail the roles and responsibilities of the implementing agencies in applying the safeguards requirements.⁴

Annex 1 provides an annotated ESA template for moderate-risk projects. When using the project document, project teams should double check whether all the questions of the ESA are included in the prodoc. If not, they should be added.

High-risk projects

High-risk projects need to conduct an independent environmental and social impact assessment (ESIA) before the project is appraised.⁵ The ESIA is a more in-depth assessment that focuses on evaluating the specific environmental and social impacts that are likely to result from the project's implementation. The ESIA looks at the specific project activities and their potential impacts, and specifies detailed mitigation measures. It typically includes an assessment of alternatives and an evaluation of cumulative impacts, and may require more extensive data collection and analysis. It usually starts with a dedicated scoping exercise to design and develop an impact assessment that considers the full range of potential impacts of the project.

The ESIA should include an in-depth analysis of the policy, legal and institutional framework; primary environmental and social baseline data; an impact analysis that takes into consideration likelihood and magnitude; and a discussion of project alternatives.

Stakeholder engagement is an important ESIA requirement and should be conducted following a dedicated methodology.⁶ It must include stakeholder mapping and analysis, consultation and disclosure, and the inputs from the stakeholder consultation should be taken into consideration in the analysis of project alternatives, as well as in the definition of the mitigation measures. Proper stakeholder engagement, starting from the early project stages, contributes to the identification of issues and concerns that need to be addressed by the project during its implementation.

The project needs to disclose the draft ESIA and ESMP in a timely manner, so that stakeholders can fully understand the project's potential risks and provide informed comments before the ESIA and management plan are finalized. The documents should be disclosed on FAO's disclosure portal. In addition, projects may consider the following:⁷

- ensure that FAO and national notice-and-comment periods are observed;⁸
- conduct stakeholder consultations to inform the initial scoping process and obtain inputs on the findings of the draft ESIA and management plan;
- ensure that a summary and a full version of the draft assessment and of the management plan are translated into local languages and made available in an accessible location;

⁴ FAO and its implementing partners will require all contractors and primary suppliers engaged in the programme or project to operate in a manner consistent with FAO's ESS.

⁵ For high-risk projects categorized as such due to a particular aspect (e.g. projects involving pesticides), the ESM Unit should be consulted for clarification and support (ESM-Unit@fao.org).

⁶ For further details, see ESOP 2 Guidance Note.

⁷ For further requirements and details, see ESOP 2 Guidance Note.

⁸ For moderate-risk projects, FAO will release the information as early as possible, but no later than 30 days before the project becomes operational. For high-risk projects, FAO will release the information as early as possible, but no later than 60 days before the project becomes operational.

- circulate a translated summary report and information on the availability of the draft assessment and management plan to the participants of prior consultations and stakeholder groups; and
- ensure that draft and final assessments are posted on project websites.

Annex 2 provides an indicative template for the ESIA for high-risk projects.

5. Management of environmental and social risks and impacts

All moderate- and high-risk projects are required to develop and implement safeguard instruments to manage the environmental and social risks of the project. The type of instruments and level of detail provided will depend on the project phase and on the amount of context-based information available at the time of preparation.

Moderate-risk projects should prepare either an ESMF or an ESMP. The ESMF is the instrument of choice if the activities or sites are not yet defined, while an ESMP should be prepared as soon as activities and sites are known (whenever activities or sites are added, a new ESMP should be prepared). In cases where budget or time constraints do not allow for the preparation of these instruments during the formulation phase, they can be developed at the latest during the inception phase, and should be included in the project work plan and budget that were prepared earlier during the formulation phase. In any case, all moderate-risk projects should prepare an ESMP before implementing activities (even if an ESMF was prepared during the formulation phase). The implementation of these instruments should be monitored throughout the project lifecycle.

High-risk projects should prepare an ESIA and an ESMP. In case budget or time constraints do not allow for the preparation of the ESMP during the formulation phase, the ESMP should be completed at the latest during the inception phase and before activities are implemented; it should be included in the project work plan and budget during the formulation phase. The implementation of the ESMP should be monitored throughout the project lifecycle.

Environmental and social management framework

An ESMF is the instrument of choice for moderate-risk projects, when the project activities and/or sites are not yet defined. The ESMF is a broad framework that provides overarching guidelines and principles for managing environmental and social risks and impacts throughout the lifecycle of a programme or project. It is developed following the ESA, which identifies and assesses the potential adverse impacts of a project.

The ESMF typically outlines the institutional arrangements, procedures and responsibilities for managing environmental and social aspects, including assessment, mitigation, monitoring and stakeholder engagement. It provides a framework for the development of more specific plans, such as the ESMP. Annex 3 provides an indicative ESMF outline.

Environmental and social management plan

Both moderate and high-risk projects are required to develop an ESMP before project activities are implemented (as illustrated in Figure 1). The ESMP is ideally prepared during the formulation phase, and always before activities are implemented.

The ESMP is a detailed and project-specific plan that implements the principles and requirements outlined in the ESMF (if an ESMF was developed previously). The ESMP focuses on the specific measures, actions and strategies that will be implemented by the project to manage and mitigate the environmental and social impacts associated with particular activities. The ESMP is typically prepared during the project's formulation phase following the ESA or ESIA, when activities and sites are defined. It includes a description of the mitigation measures, specific timelines, resources, responsibilities and monitoring mechanisms.

It also includes provisions for training and capacity building, and institutional arrangements for its implementation. The scope and level of detail of the ESMP should be commensurate with the scale of the potential adverse environmental and social impacts. Annex 4 provides an indicative ESMP outline.

6. Monitoring and reporting

FAO will monitor and evaluate the overall performance of each project against the objectives and requirements of the ESS within its project quality assurance system. The extent and mode of the monitoring will reflect the risk categorization of the programme or project, its environmental and social risks and impacts, and compliance requirements. For some programmes and projects, monitoring systems with gender and age-sensitive indicators should be considered to account for differential risks and impacts on men, women and children.

Projects should ensure that adequate institutional arrangements, systems, resources and personnel are in place to carry out monitoring and reporting throughout the project lifecycle. During implementation and monitoring, the environmental and social risk management process will focus on monitoring the programme or project against the ESMP and project risk log (part of the project document), to track progress and establish operational controls to verify compliance. Risk mitigation measures should be included in the logframe or project results framework as activities or outputs, wherever possible, and into the work plan. Monitoring arrangements should ensure an adequate representation of women and of those groups that are most at risk from the social and environmental impacts.

The monitoring of activities should directly involve project beneficiaries and other stakeholders, especially for high-risk projects. Where appropriate, the programme or project may engage third parties (e.g. independent experts, local communities or non-governmental organizations) to complement or verify its own monitoring activities. Subnational entities may also play a role in monitoring activities. Monitoring must be adjusted according to performance, the actions requested by regulatory authorities, feedback from stakeholders and the evolving approaches within the programme or project and within FAO. Programmes and projects should provide regular reports on the monitoring results to stakeholders, in accordance with the stakeholder engagement plan. Based on the monitoring results, the project will amend ESMPs or other ESS instruments and management tools, and monitor and report on any necessary corrective and preventive actions.

All project documents, including safeguard instruments, should be disclosed on the FAO disclosure portal (please see *ESOP 2 Guidance Note* for additional information).⁹

⁹ The FAO disclosure portal is accessible at <https://www.fao.org/environmental-social-standards/disclosure-portal/en/>.

Annex 1.

Environmental and social assessment: indicative outline

Note: Moderate-risk projects need to conduct an environmental and social assessment (ESA). An ESA is a broad assessment that evaluates the existing environmental and social conditions at the project location and identifies potential risks and impacts. It is typically conducted during the early stages of project planning, and must be conducted at the latest during the project formulation phase. It is used to inform decision-making and project design. The ESA can be developed as a separate document or can be included in the project formulation document (prodoc). The FAO standard project document incorporates the elements of an ESA. The indicative outline below suggests a structure for projects that prepare a stand-alone ESA document, with guiding questions that should be considered in every ESA or in FAO project documents.

1. Project description

Where will the project work and what activities will it implement? Are activities implemented in different locations?

What are the main environmental and social conditions of the area where the project will be implemented? If the exact locations are not known during the formulation phase, a baseline based on high-level secondary data should suffice; however, this baseline it will need to be updated as sites are defined, prior to the implementation of project activities.

2. Potential risks and impacts

What environmental and social risks are known at this time (for example, those identified in the gender analysis and climate risk analysis, if available)? What opportunities exist to enhance the positive impacts of the project? Sexual exploitation and abuse (SEA) risks should also be assessed.

3. Mitigation measures

What risk mitigation measures could be taken for each activity? To what extent are these included in the logframe/results framework of the project?

4. Institutional arrangement for the implementation of safeguards

Which organization/project team member will coordinate and implement the risk mitigation measures? How and when will these be implemented? Are other institutions involved and if so, what is their capacity to implement risk mitigation measures?

5. Institutional arrangement for the monitoring of safeguards activities

How will changes in risks and the implementation of risk mitigation measures be monitored? Will a (part-time) safeguards specialist be hired? What is the budget for implementing and monitoring the risk management plan?

6. Budget

What is the overall budget for environmental and social risk management?

7. Template for the environmental and social management plan (ESMP)

Who will develop the site-specific ESMP?

8. Stakeholder engagement plan (SEP), grievance redress mechanism (GRM) and information disclosure

How were stakeholders consulted so far, and what were the main points of their feedback? How was their feedback incorporated in the project design? Was the FAO GRM template used or was an alternative template chosen? When will the prodoc, SEP and GRM be disclosed on FAO's disclosure portal? In what other ways, and in which languages, is the project planning to disclose project information to stakeholders?

Additional guidance:

Please check the guidance notes associated with each safeguards standard to access thematic guiding questions for the ESA (e.g. on pollution, gender equality or Indigenous Peoples). If the information above is covered in the prodoc, there is no need for a separate document. In this case, all sections must be covered in the prodoc.

Annex 2.

Environmental and social impact assessment: indicative outline (for high-risk projects only)

Usually includes the collection of primary data.

Note: This document provides guidance for conducting an environmental and social impact assessment (ESIA), as well as for drafting the terms of reference for a full ESIA. All high-risk projects are required to conduct an independent ESIA before the project is appraised.¹ The ESIA is an in-depth stand-alone assessment that focuses on evaluating the specific environmental and social impacts that are likely to result from the project's implementation. It looks at the project activities, their potential impacts and the social and environmental conditions of the area of implementation, and specifies the approach to manage impacts and mitigation measures.²

1. Executive summary

- concise overview of the project and its objectives;
- summary of the potential environmental and social impacts; and
- key findings and recommended actions (including key mitigation measures and management/monitoring plans).

2. Introduction

Provide background information about the project and its purpose, and indicate the scope and objectives of this ESIA. The methodology could also be explained in this section.

3. Project description³

Provide a project description, indicating:

- geographic location: it is highly recommended to include maps and to provide site details when the project is implemented in various locations;
- summary of project objectives, expected results/outcomes, outputs and main activities;
- executing entities (i.e. project lead and partners), their roles and responsibilities; and
- implementation arrangements.

¹ For high-risk projects categorized as such due to a particular aspect (e.g. projects involving pesticides), the ESM Unit should be consulted for clarification and support (ESM-Unit@fao.org).

² Mitigation measures could be further detailed in the ESMP and the additional management plans (covering aspects such as biodiversity, Indigenous Peoples, labour or gender).

³ The introduction and project description could be combined into one section.

4. Scoping

Undertake a preliminary investigation of the project area, including:

- consultation with affected communities and knowledgeable groups or agencies; and
- identification of the area or area of influence (Aoi) affected by the project.

The scoping phase will determine the scope of the ESIA; it will produce a scoping report that will be disclosed and accessible for comments by interested and affected parties.

It is important to undertake the scoping exercise early on in the assessment process to: (i) identify and focus the environmental and social assessment on key issues; and (ii) establish a logical roadmap for the assessment process. The scoping exercise typically informs the drafting of the terms of reference (TOR) for the ESIA.

The scoping exercise will vary depending on the range and complexity of the project's potential social and environmental impacts. Scoping typically builds on the results of the screening, and consists of the following tasks/components:

- initial identification of significant social and environmental issues and potential adverse risks and impacts;
- evaluation of data availability and identification of data gaps for the assessment;
- analysis of national/local project planning requirements, as well as of relevant FAO requirements;
- 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 the types and qualifications of the specialists that will undertake the assessment (assessments should be undertaken by independent experts);⁴
- drafting of a summary scoping report; and
- drafting of the ToR for the ESA.

5. Analysis of the policy and legal framework

Describe the policy, legal and administrative/institutional framework in which the project will be implemented, and identify any laws and regulations that pertain to the environmental and social matters relevant to the project. These include regulations about environmental and/or social safeguard standards triggered by the project, as well as relevant national laws and host country obligations under international law.

Explain the requirements of any co-financing partners, if applicable (e.g. the World Bank's Environmental and Social Framework). Where pertinent, consider legal frameworks for promoting gender equality. Flag any areas where the project might fall short on compliance.

⁴ For highly complex projects with multidimensional potential adverse impacts, or for projects that may be highly contentious among affected stakeholders, the use of independent advisory panels to assist in project preparation and implementation may be required.

6. Environmental and social baseline conditions

Describe and analyse the environmental and social conditions in the area where the project will be implemented. Following a brief general contextual overview, the assessment should focus on the area affected by the project (or its area of influence) and on the aspects related to the environmental and social risks and impacts of the project. Such information should be used to inform decisions about project design, implementation, mitigation measures and monitoring.

The purpose of this section of the ESIA is to provide an overview of the current environmental and social conditions that form the baseline against which project impacts will be predicted and measured during the project's implementation. Secondary data might be used for high-level general information (e.g. censuses, previous studies and analyses); however, primary data at the site/local/regional level should be collected to support the environmental and social baselines.

The scope of the baseline analysis depends on the nature of the project and on the issues identified during the screening and scoping. The analysis may take into consideration findings from previous stakeholder engagement/consultations. The baseline should cover a range of physical, biological, socioeconomic and cultural aspects, depending on the project. The following are some of the key aspects to be included:

- physical and biological environment: topography, climate, soils, rainfall, infrastructure, flora, fauna, endangered species, sensitive and significant natural sites, biodiversity loss and climate change; and
- sociocultural environment: population dynamics and demographic profile, land use, land tenure, poverty trends and vulnerable groups, community structure and capacities, community health (current status and drivers of disease), sources of livelihoods, income distribution, cultural heritage, goods and services, extent of community dependence on natural resources for livelihoods, and access to basic services (e.g. water and sanitation), healthcare facilities, education, agricultural extension services, electricity, transportation and markets.

7. Environmental and social impact analysis (including an analysis of alternatives)

This step is at the heart of the ESIA; it presents the identification and analysis of potential environmental and social risks and impacts, using the impact assessment methodology that assesses impacts according to their probability (likelihood) and severity (magnitude).

While the ESIA terms of reference already indicate the key impacts to be covered by the assessment (as identified during the screening and/or scoping), it is important to keep in mind that an ESIA is an iterative process during which new and more detailed information may be obtained, and additional significant issues may be identified (either during the baseline analysis or as a result of stakeholder engagement).

During the analysis, direct and indirect impacts must be considered. Indirect impacts include inadvertent knock-on effects or cumulative effects that materialize through interaction with other developments, impacts occurring at the project site or within the project's wider area of influence, and impacts triggered over time.

Project impacts can be analysed using a range of methods, from simple qualitative analysis to detailed quantitative surveys or modelling. The methods chosen to collect and analyse data, as well as the depth of the analysis, should reflect the type and significance of the impacts. The report should describe the

methodological approach used for data collection and analysis, and the rationale for selecting this method. In addition, it should evaluate the quality of the available data and, where applicable, explain key data gaps and uncertainties in predictions.

Participatory research and assessment tools should be used wherever possible to increase stakeholders' understanding of the project, provide opportunities to stakeholders to voice concerns and promote the participation of affected groups in the formulation of mitigation measures.

Understanding the significance of risks is important to prioritize mitigation measures. To evaluate this significance, the likelihood that a given risk event is expected to occur, as well as the magnitude of its expected impacts (or consequence), must be considered. The consequence is the extent to which a risk event might negatively affect environmental or social receptors. To evaluate the consequence, the following elements must be considered:

- sensitivity of the receptor;
- severity of impacts;
- expected duration and scale; and
- whether or not the impact is reversible.

The assessment of the significance of risks must determine whether there are known, acceptable and readily available good practices to address impacts, and whether the executing entities and/or main stakeholders have experience in applying such measures. Risks of SEA must also be assessed.

The purpose of the analysis of alternatives is to identify other options, including not implementing the project, to achieve the project objectives and compare their impacts with the original proposal. This step is required only for high-risk projects where the identified impacts are very significant.

The analysis should compare feasible, less adverse alternative technologies, designs, operations and sites – including the “no project” option – with the proposed project in terms of:

- their effectiveness at achieving the project objectives as well as potential trade-offs;
- their potential environmental and social impacts;
- the feasibility of mitigating these impacts;
- operational requirements and their suitability under local conditions;
- their institutional, training, and monitoring requirements;
- their expected cost-effectiveness; and
- their conformity to existing policies, plans, laws and regulations.

The analysis should recommend a preferred alternative and justify this recommendation.

8. Environmental and social management plan

As indicated earlier, the ESMP should be designed as a stand-alone document. However, it is often presented as one of the final chapters of the ESIA. A template for the ESMP is available separately at the intranet page of the ESM Unit.⁵

⁵ This template is available on FAO's intranet at http://intranet.fao.org/departments/ddn/technical_networks/esrm/resources/ (FAO users only).

Annex 3.

Environmental and social management framework: indicative outline

Maximum 50 pages.

Note: The environmental and social management framework (ESMF) is the instrument of choice if the activities or sites are not yet defined, while the ESMP should be prepared as soon as the activities and sites are known (if activities/sites are added, a new ESMP should be prepared). If budget or time constraints do not allow for the preparation of these instruments during the formulation phase, they can be developed during the inception phase at the latest, and should be included in the project work plan and budget developed during the formulation phase.

The ESMF should consist of the following sections:

Executive summary: provide a brief description of the project and the key risks and impacts identified during the risk assessment phase. Indicate the project risk classification as per the Environmental and Social Risk Screening Checklist. Mention the ES safeguards triggered by the project.

1. Introduction: describe the project, including its location and implementing partners (if known at this stage). Describe the purpose and scope of the ESMF, which should be aligned with the project activities/components. Briefly identify the potential social and environmental impacts of the project (the impacts will be further detailed in the following sections).

2. Legal and institutional framework: provide an overview of the key legal, regulatory and institutional provisions that concern the project' social and environmental aspects. This overview should include the international/national/regional/local legal and institutional requirements relevant to the specific social and environmental aspects, risks and impacts, and safeguards triggered by the project. Requirements imposed by international organizations (e.g. United Nations Development Programme, International Labour Organization and/or donors/implementing partners) may also be considered.

3. Environmental and social baseline: provide a summary description of the environmental and socioeconomic conditions of the area where the project will be implemented. If the sites/locations of the project are not yet known and/or defined, provide a general overview at the relevant level (local, regional, national). The baseline may be based on secondary data and should include (but not be limited to) information related to demographics, socioeconomic aspects, Indigenous Peoples, vulnerable groups, gender, biodiversity, protected areas, land use, climate, etc. The information provided in the ESMF baseline should be relevant to the project and aligned with the ES safeguards.

4. Risk classification and management: indicate the risk categorization as per the FAO screening checklist. The risk categorization is obtained upon completion of the Environmental and Social Risk Screening Checklist in the Field Programme Management Information System (FPMIS) (add the checklist as an annex to this framework).

5. Potential ES risks and impacts: describe the anticipated potential risks and adverse impacts of the project, as well as opportunities to enhance its positive impacts. When identifying risks and impacts, consider each of the project's activities. Also describe how the project is planning to address SEA risks.

5.1. Risk and impact management – mitigation measures and estimated costs: describe how the project will manage risks and impacts. Describe any specific mitigation measures, if known/available. Table A1 below can be used to present this information.

Table A1. Overview of risks, impacts and mitigation measures

<i>Activities (specify the location, if known)</i>	<i>Potential environmental and social risks and impacts (briefly describe the potential risks identified in line with the Environmental and Social Standards)</i>	<i>Mitigation measures (briefly describe the mitigation measures for identified risks)</i>	<i>Implementation arrangements⁶ (identify the parties responsible for the implementation of the mitigation measures, and provide a timeline for activities)</i>	<i>Monitoring arrangements⁷ (responsibilities and timeline/frequency of monitoring activities)</i>	<i>Timeline</i>	<i>Estimated costs of implementing the mitigation measures</i>

6. Institutional arrangements for implementation: describe the arrangements for implementation (including who is responsible for implementing the safeguards and risk management plan, as well as for the monitoring, supervision and reporting), with estimated timelines. These arrangements can be described using the table above, or detailed in a separate section.

7. Budget for ESMF implementation: provide a breakdown of the budget allocated to the implementation of the mitigation measures.

8. Stakeholder engagement: provide a summary of and/or link to the stakeholder engagement plan.

9. Grievance redress mechanism (GRM): provide a summary of and/or link to the GRM document.

10. Disclosure of information: outline when and where project information is, or will be, publicly disclosed. The disclosure of programme and project information boosts stakeholders' ability to effectively participate in project consultations. FAO strives for project information to be relevant, understandable, accessible and considered culturally appropriate by stakeholders. Due attention should be paid to the specific needs of the community groups affected by the project. Indicate when the information will be published on FAO's disclosure portal, as well as any additional channels. The guidance note in ESOP 2 on stakeholder engagement provides additional guidance related to the disclosure of project information.

11. Annexes

- Completed Environmental and Social Risk Screening Checklist: attach a copy of the most recent FPMIS screening checklist.

⁶ This information can either be presented in the table or in a separate section. If a separate section is used, indicate which activities and mitigation measures the arrangements relate to.

⁷ This information can either be presented in the table or in a separate section. If a separate section is used, indicate which activities and mitigation measures the arrangements relate to.

Annex 4.

Environmental and social management plan: indicative outline

Maximum 80 pages.

Note: The environmental and social management plan (ESMP) is a detailed project-specific plan that outlines the principles, requirements and specific measures, actions and strategies that will be implemented by the project to manage and mitigate the environmental and social risks and impacts of specific project activities. The ESMP is ideally prepared during formulation phase, and in any case before activities are implemented. The plan can be based on an existing ESMF, if that was the project's ES risk management instrument of choice when the activities and sites were still unknown. Both moderate and high-risk projects are required to develop an ESMP before project activities are implemented.

The ESMF should consist of the following sections:

Executive summary: provide a brief overview of the project and the key environmental and social considerations. Indicate the project risk category as per the ES risk screening checklist. A summary of key findings from the baseline and risk assessment, objectives and recommended actions may also be included.

- 1. Introduction:** describe the project and the activities covered by the ESMP, including locations and implementing partners. Outline the purpose and scope of the ESMF, which should be aligned with the project activities/components. Briefly outline the potential social and environmental impacts of the project (they will be further detailed in the following sections).
- 2. Policy, legal and institutional framework:** provide an overview of the key legal, regulatory and institutional provisions that concern the project' social and environmental aspects. This overview should include the international/national/regional/local legal and institutional requirements relevant to the specific social and environmental aspects, risks and impacts, and safeguards triggered by the project. Requirements imposed by international organizations (e.g. United Nations Development Programme, International Labour Organization and/or donors/implementing partners) may also be considered.
- 3. Environmental and social baseline:** describe and analyse the environmental and social context in which the project will be implemented. While some broad contextual information is necessary, the analysis should focus on the immediate context of the project site and on aspects that relate to the identified impacts; such information is needed to make decisions about project design, operations and mitigation measures. For general baseline information, secondary data (regional and/or national) and existing assessments may be used; for site-specific baseline information, primary data collection is strongly recommended. For projects that have conducted an ESIA, a summary of the baseline findings on social and environmental conditions may be used for this section.

The scope of the environmental and social baseline analysis will vary according to the nature of the project and the issues identified during the screening phase. The analysis might cover a range of physical, biological, socioeconomic and cultural aspects that could be potentially affected by the project.

The following are some of the aspects that may be covered:

- 3.1. physical environment:** topography, climate, soils, rainfall, infrastructure, etc.;
 - 3.2. biological environment:** flora, fauna, endangered species, sensitive sites and significant natural sites; and
 - 3.3. socioeconomic and cultural environment:** population dynamics, demographics, land use, poverty trends, community structure and capacities, community health (current status and drivers of diseases), sources of livelihoods, distribution of income, cultural heritage, goods and services, extent of the community's awareness on issues such as poverty and environment, biodiversity loss and climate change, extent of the community's dependence on natural resources for livelihoods, and access to basic services such as water and sanitation, healthcare, schools, agricultural extension services, electricity, transportation and markets.
- 4. Risk classification and management:** indicate the risk categorization as per the FAO screening checklist. The risk categorization is obtained upon completion of the Environmental and Social Risk Screening Checklist in FPMIS (add the checklist as an annex).
 - 5. Describe the potential ES risks and impacts:** identify and analyse the potential risks and adverse impacts of the project, as well as opportunities to enhance its positive impacts. When identifying risks and impacts, consider each of the project's activities, and describe how the project will address SEA risks. This section should also consider cumulative impacts and cross-cutting issues.
 - 6. Environmental and social management measures:** describe the mitigation measures to avoid, minimize or mitigate the ES risks and impacts identified in previous sections and in the ESIA. Outline the measures to enhance the project's positive environmental and social outcomes.
 - 7. Institutional arrangements for implementation and estimated costs:** describe the institutional arrangements for implementation and indicate the estimated costs of the implementation of this ES risk management plan. This section may include an overview of roles and responsibilities, timelines and budget allocation; alternatively, this information may be added to the ESMP matrix (see Table A2 below).
 - 8. Monitoring arrangements:** describe the arrangements to monitor the implementation of this ESMP. This section may include an overview of roles and responsibilities and timelines; alternatively, this information may be added to the ESMP matrix (see Table A2 below).
 - 9. Stakeholder engagement:** briefly describe the stakeholder engagement activities that have been conducted so far, including: (i) identification of key stakeholders and their interests in the project; (ii) stakeholder engagement activities such as consultations and other types of participation conducted to date, and the key issues, concerns and feedback obtained during these activities; and (iii) how the project plans to incorporate stakeholder feedback and address concerns, both during and after project implementation. Describe how stakeholder engagement will be incorporated as an ongoing project activity and indicate the main communication channels and frequency of engagement for each stakeholder type/group. Alternatively, this section may contain a summary of the key stakeholder engagement findings to date, and provide a link to the stakeholder engagement plan (SEP) developed for the project.⁸

⁸ For further details, see ESOP 2 Guidance Note.

10. Grievance redress mechanism: describe the project’s GRM, and indicate how it will be communicated to stakeholders. Alternatively, provide a link to the GRM developed for the project.⁹

11. Disclosure of information: outline when and where project information is, or will be, publicly disclosed. The disclosure of programme and project information boosts stakeholders’ ability to effectively participate in project consultations. FAO strives for project information to be relevant, understandable, accessible and considered culturally appropriate by stakeholders. Due attention should be paid to the specific needs of the community groups affected by the project. Indicate when the information will be published on FAO’s disclosure portal, as well as any additional channels. The guidance note in ESOP 2 on stakeholder engagement provides additional guidance related to the disclosure of project information.

Table A2. Environmental and social management plan matrix

Activities <i>(specify the locations)</i>	Potential environmental and social risks and impacts <i>(briefly describe the potential risks identified in line with the Environmental and Social Standards)</i>	Mitigation measures <i>(briefly describe the mitigation measures for the identified risks. Indicate whether any specific instruments have been developed, such as a biodiversity management plan, gender action plan, labour management procedure etc., and provide a link to or copy of the document)</i>	Implementation arrangements <i>(actors responsible for the implementation of the mitigation measures, and timeline for activities)¹⁰</i>	Monitoring arrangements <i>(actors responsible, timeline and frequency of monitoring activities)¹¹</i>	Timeline	Estimated costs of implementing the mitigation measures

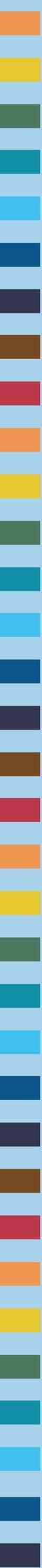
12. Annexes

12.1. Environmental and Social Risk Screening Checklist

⁹ For further details, see ESOP 2 Guidance Note.

¹⁰ This information can either be presented in the table or in a separate section. If a separate section is used, indicate which activities and mitigation measures the arrangements relate to.

¹¹ This information can either be presented in the table or in a separate section. If a separate section is used, indicate which activities and mitigation measures the arrangements relate to.





Office of Climate Change, Biodiversity and Environment
ESM-Unit@fao.org

Food and Agriculture Organization of the United Nations
Rome, Italy