



**ENVIRONMENTAL AND SOCIAL SAFEGUARDS FOR  
CAF/GEF PROJECTS  
MANUAL**

**VICE-PRESIDENCY OF DEVELOPMENT STRATEGIES AND PUBLIC  
POLICIES**

**ENVIRONMENTAL DIVISION**

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## ABBREVIATIONS AND ACRONYMS

Acronyms	Description	Acronyms	Description
GA	Gender Analysis	IPM	Integrated Pest Management
CAF	Corporación Andina de Fomento (for its acronym in spanish)	IPP	Indigenous Peoples Plan
CBO	Community Based Organization	IPPF	Indigenous Peoples Planning Framework
CSO	Civil Society Organization	ITTO	International Tropical Timber Organization
CMP	Corrective Measures Plan	IUCN	International Union for Conservation of Nature
DMA	Environmental Division of CAF (for its acronym in Spanish)	IVM	Integrated Vector Management
ESA	Environmental and Social Assessment	ONG	Non-governmental organizations
ESIA	Environmental and Social Impact Assessment	OP	Ombudsperson
ESMP	Environmental and Social Management Plan	PCR	Physical Cultural Resources
FAO	Food and Agriculture Organization	PIC	Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade
GEF	Global Environmental Facility	PP	Project Proponent
GMC	Grievance Management Committee	PT	Project Team
IBAS	Birdlife Listing of Important for Conservation	TEV	Total Economic Value
IFC	International Finance Corporation	WHO	World Health Organization

## RELATED DOCUMENTS

Name
Policy on Agency Minimum Standards on Environmental and Social Safeguards. Policy: PL/SD/03. November 20, 2012
CAF Environment Strategy
CAF/GEF Projects Management Manual
Internal Environmental and Social Evaluation and Follow-up of Operations Manual

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## **I. INTRODUCTION**

1. The goal of Guidelines and Procedures on Environmental and Social Safeguards is to promote the environmental and social sustainability of CAF/GEF-funded projects by protecting people and their environment from potential adverse impacts, and enhancing benefits being provided. This is a comprehensive goal to achieving environmentally sustainable and socially inclusive growth and poverty reduction, which is part to the institutional mission of CAF to promote sustainable development and regional integration in the Latin American region.

2. This document sets out guidelines, scope, triggers, plans as well as some other requirements and instruments pertaining nine key safeguard areas:

- Environmental and Social Impact Assessment;
- Natural Habitats;
- Involuntary Resettlement;
- Indigenous Peoples;
- Pest Management;
- Physical Cultural Resources;
- Safety of Dams;
- Accountability and Grievance System; and
- Gender Mainstreaming.

3. CAF is responsible for clearly spelling out requirements to the project applicant, and helping him/her meet these requirements over the project planning and implementation phases on the basis of due diligence, review, supervision, and capacity-building programs. Project applicants are required to undertake environmental and social assessments, hiring affected people and communities through information disclosure and consultations, prepare and implement safeguard plans, monitor the implementation of these plans, and prepare and submit monitoring reports, according to every applicable safeguards.

## **II. OBJETIVES**

4. The purpose of Guidelines and Procedures on Environmental and Social Safeguards is to support environmentally sustainable development by ensuring that the CAF/GEF-funded project incorporates measures as may be deemed to be necessary and sufficient to avoid, minimize, abate, and, where appropriate, offset any adverse impacts to people and the environment.

5. These Guidelines and Procedures also aim to ensure that during the planning, design and implementation stages of the CAF/GEF-funded project, suitable consultation processes with project-affected groups and key stakeholders shall be performed.

6. Likewise, they seek that a proper information disclosure process of related information is carried out, at an accessible place and/or media, and in a form and language(s) understandable to project-affected groups, CSOs and other key stakeholders



### **III. SCOPE**

7. These guidelines and procedures shall be applied to all CAF/GEF-financed projects within CAF' member countries and will supersede the national environment and social assessment policies in case that the latter do not meet the requirements of CAF/GEF environment and social guidelines.

8. CAF shall not provide financial assistance to; neither shall support the execution of projects contravening: (i) these guidelines and procedures; (ii) the environmental legal framework in force in the country; and (iii) international environmental agreements or conventions.

### **IV. RESPONSIBILITIES**

9. The CAF Direction of the Environment (DMA, for its acronym in Spanish) is responsible for ensuring that all guidelines and procedures as spelled out in this Document are applied in a timely and appropriate manner to each and every CAF/GEF-funded project.

10. The DMA will coordinate with other internal areas, as the legal office, in order to ensure that the CAF/GEF-financed comply fully with: (i) all requirements set forth herein; (ii) the applicable national legal framework; and (iii) underwriting all the legal documentation required by CAF/GEF for proper development of the project are made.

## **V. ENVIRONMENTAL AND SOCIAL ASSESSMENT**

### **V.1. Objectives**

The overall objective of the Environmental and Social Assessment (ESA) Safeguard is to ensure that all projects implemented by CAF, as a GEF Partner Agency, undergo the necessary assessments to identify, evaluate and manage the associated environment and social risks and impacts in a manner consistent with the Environmental and Social Safeguards herein established.

The ESA Safeguard recognizes and will utilize national environmental and social institutions, systems, laws, regulations and procedures in the assessment, development and implementation of projects,

### **V.2. Scope**

The requirements apply to all projects administered by CAF, as a partner agency of GEF, which uses GEF funds as a source of financing, irrespective of the proportion of GEF participation in the total funding of the project.

### **V.3. General Dispositions of the ESA Safeguard**

The ESA shall be conducted prior to project appraisal, to be treated as a component of the project design and planning process, and shall be fully integrated with the ESA-related technical, economic, financial and institutional analyses. The ESA shall be conducted within the context of the Logical Framework Approach being adopted by CAF.

The ESA will be commensurate and proportional with the potential risks and impacts of the project and the project classification assigned by the Project Team, and will, in an integrated way, assess:

- (a) The potential direct environmental and social impacts the project may have over its area of influence and, whenever is required, the indirect, cumulative and related impacts, during each stage of the project cycle;
- (b) Risks and impacts on the physical, biotic, social, economic, physical cultural resources, and on the health and safety of people;
- (c) Alternatives to improve the selection, location, planning, design, and execution of the project, including the “no project” situation, as well as capital costs and recurring costs and comparison between project benefits and project environmental costs;
- (d) The design of measures to prevent, mitigate and/or compensate for risks and impacts being identified, including taking advantage of positive impacts and any other opportunities as may be identified, both for the project itself and for communities being affected by the project. Whenever it may be feasible, the ESA shall favor preventive measures as opposed to mitigation or compensation measures;
- (e) The national legal framework applicable and related national policy framework, treaties, agreements and international conventions in matters dealing with the environment; and the capacity of environmental institutions involved;
- (f) Actions as foreseen to following-up on environmental management measures being advances, associated costs, capacity-building activities and institutional strengthening, as well as execution schedules.

The ESA process will include not only activities of all the project components but also other activities resulting in involuntary resettlement that, in the consideration of CAF are: (i) directly and significantly related to the project, (ii) necessary to achieve its objectives as set forth in the project documents; and (iii) carried out, or planned to be carried out, contemporaneously with the project.

#### **V.4. Responsibilities of the CAF/GEF Project Team**

##### **V.4.1. Preliminary Environmental and Social Analysis**

For each project being proposed, the designated CAF/GEF Project Team shall conduct a preliminary environmental and social analysis. The purpose of the preliminary environmental and social analysis is to help the Project Team determine the way in which environmental and social risks and impacts will be addressed in the assessment, development and implementation of the project.

The preliminary analysis must be conducted at the earliest stage of project preparation or as soon as sufficient information is made available for this purpose.

During the preliminary analysis, the Project Team will (a) review the information provided by the Proponent relating to the environmental and social risks and impacts of the project, and requesting additional and relevant information where there are gaps that prevent the Project Team from completing its analysis; and (b) provide guidance to assist the Proponent in developing appropriate measures to address environmental and social risks and impacts in accordance with this manual.

In the case the Proponent may lack the necessary technical, human or legal capacities required to implement ESA's own activities, such as the implementation of measures being stipulated in Environmental and Social Management Plan in the construction and/or operation of the project, actions shall be included in the project's design and addressed to the institutional strengthening of the Project Proponent.

In the preliminary analysis, the Project Team will, on the basis of the list of projects in Annex 1.A., Annex 1.B and Annex 1.C., classify all projects into one of three categories:

- Category A: High Environmental and Social Impact Potential; corresponding to projects that are likely to have significant adverse environmental and/or social impacts that are irreversible, diverse, or unprecedented. Impacts may affect an area larger than the sites or facilities subject to physical works;
- Category B: Moderate Environmental and Social Impact Potential; corresponding to projects that are likely to have adverse social and environmental impacts that are site-specific, limited in scale, can be identified with a reasonable degree of certainty, and can be addressed through the application of standard best practice, mitigation measures and stakeholder engagement during Project implementation;
- Category C: Low Environmental and Social Impact Potential; corresponding to projects that are likely to have low or minimal adverse environmental impacts that can be mostly prevented and/or mitigated applying best environmental and social practices;

In the process of classification, the CAF/GEF Project Team will also take into account relevant issues, such as the type and scale of the project; the nature and magnitude of the potential environmental and social risks and impacts, the environmental and social

sensitivity of the project location; and the capacity and commitment of the Proponent to manage the environmental and social risks and impacts in a manner consistent with the Environmental and Social Safeguards.

The project location is of crucial importance for classifying the project and determining the type and scope of the required ESA. The Project Team will consider a Category A classification, when the project is located:

- In or near sensitive and valuable ecosystems — wetlands, wildlands, coral reefs and habitat of endangered species;
- in or near areas with archaeological and/or historical sites or existing cultural and social institutions;
- in densely populated areas, where resettlement may be required or potential pollution impacts and other disturbances may significantly affect communities;
- in regions subject to heavy development activities or where there are conflicts in natural resource allocation;
- along watercourses, in aquifer recharge areas or in reservoir catchments used for potable water supply; and
- on lands or waters containing valuable resources (such as fisheries, minerals, medicinal plants, prime agricultural soils).

The precise identification of the project's geographical setting at the screening stage greatly enhances the quality of the screening decision and helps focus the ESA on the important environmental issues.

In the process of classification, the Project Team will determine the type and scope of environmental and social assessment required, as well as, the need to incorporate special assessment tools, in case the project is deemed to have sector, regional or policy related implications, may affect indigenous communities or implies some form of involuntary resettlement.

The Project Team recognizes that projects may have different levels of information regarding the environmental and social risks and impacts available at the time the preliminary analysis is carried out. In such circumstances, the Project Team will assess the risks and impacts of the proposed project based on the information that is available, together with an assessment of: (a) the risks and impacts inherent to the type of project and the specific context in which the proposed project will be developed and implemented; and (b) the capacity and commitment of the Borrower to develop and implement the project in accordance with the Environmental and Social Safeguards.

Whenever it may be deemed necessary, the Project Team shall request the Project Proponent to provide additional information or surveys, in order to more precisely determine the eventual environmental and social risks being associated to the project, as well as the characteristics of the social and environmental setting concerned, so as to classify the project.

Where CAF, as a partner agency of GEF, is approached to provide support for a project that is under construction, or where the project has already received national permits, including the approval of local environmental and social impact assessments, the preliminary analysis will include a gap analysis of the project design and implementation against the

Environmental and Social Safeguards to identify whether any additional studies and/or mitigation measures are required to meet the Safeguard's requirements.

#### **V.4.2. Site Assessment**

For projects classified as Category A or B Potential, one or more members of the Project Team shall make a field visit to the project site, in order to: (i) evaluating key aspects vis-à-vis project design and characteristics; (ii) evaluating the environmental and social aspects of the area in which the project is expected to be executed; (iii) making contact with project-affected groups and key stakeholders, and making sure of the scope of public consultations and dissemination processes; and (iv) reviewing most relevant environmental and social risks and impacts, in an effort for most relevant environmental and social issues to be identified, which shall be further identified in the ESIA or the ESMP, as appropriate.

For this evaluation, the Project Team should apply CAF's own methodologies, criteria, tools and systems CAF as set forth in the "Internal Environmental and Social Evaluation and Follow-up of Operations Manual."

For projects classified as Category A, this site visit shall be made once the first consultation with project-affected groups and key stakeholders has taken place, so that the consultation outcomes and the project site visit conclusions may be included in the final ESIA's ToR.

For projects classified as Category B, this site visit shall be made once the consultation with project-affected groups and key stakeholders has taken place, so that the consultation outcomes and the site visit conclusions may be included in the final ESMP version.

#### **V.4.3. Review of the Environmental and Social Assessment**

The Project Team shall review the preliminary version of the ESA, so as to verify that:

- (a) Project-related environmental and social risks have been duly identified and evaluated
- (b) Measures as required have been undertaken and deemed to be sufficient towards the prevention, abatement of and/or compensation for those risks and impacts
- (c) Concerns and points of view being expressed by project-affected groups and key stakeholders, and agreed upon at consultations, have been borne in mind
- (d) All other aspects relating to the environmental and social safeguards applicable to CAF/GEF projects have been incorporated: natural habitats and forest, Indigenous Peoples, involuntary resettlement, handling of pesticides, dam safety, accountability, attention to complains and grievances, and gender mainstreaming; and
- (e) Projects have been drawn up in accordance with all other guidelines and procedure as being set forth for CAF/GEF projects

For review of the preliminary ESA, the Project Team shall use the "Guidelines and Procedures for Reviewing the Environment and Social Impact Assessment (ESIA) and Environment and Social Management Plan (ESMP)", as set forth in Annex 1.D.

If, at the time the project is being submitted to CAF's consideration in order to be eligible for GEF financial support, the Project Proponent has already completed the ESA process, the Project Team shall make a detailed review of both the process background and surveys being conducted so as to ensure that they are in line with requirements set forth in the

safeguards applicable to GEF projects, and shall request corrections or additions as required. In case these corrections or additions have not been made, or they do not meet requirements as spelled out in the safeguards applicable to GEF projects and to CAF's Public Involvement Guidelines for GEF Projects, CAF shall request that consultations are held with project-affected groups and key stakeholders.

## **V.5. Requirements**

### **V.5.1. Drafting Up and Revision of the Project's ESIA/ESMP**

The Project Proponent is responsible for the project's environmental and social assessment. The CAF/GEF Project Team shall oversee the Project Proponent throughout the environmental and social assessment process to ensure that this process duly complies with GEF and CAF requirements in this matter. The Project Team shall work in a coordinated and on-going manner with the Project Proponent and consultants in charge of drawing up the ESIA/ESMP, as appropriate, to strengthening up project-derived benefits and correcting the likely deficiencies and omissions in the environmental and social assessment process.

The Project Proponent will assess, manage and monitor the environmental and social risks and impacts of the project throughout the project life-cycle so as to meet the requirements of the Environmental and Social Safeguards.

The Proponent will conduct the environmental and social assessment of the proposed project, including stakeholder engagement, in accordance to the classification established by the Project Team:

In projects classified in Category A (High Environmental and Social Impact Potential), the Proponent will develop a Comprehensive Environmental and Social Impact Assessment (Full-ESIA), including an Environmental and Social Management Plan (ESMP), using the Generic Terms of Reference (ToR) provided in Annex 1.E. and the Standard Report Outline provided in Annex 1.F. The Generic Terms of Reference for the Review of Alternatives, as set forth in Annex 1.H., shall be used in the review of alternatives to enhancing the selection, location, planning, design and execution of the project, including the "no project" situation.

In projects classified in Category B: Moderate Environmental and Social Impact Potential, the Proponent will develop a detailed Environmental and Social Management Plan (ESMP) to attend the specific adverse environmental and social impacts identified, using the Generic Terms of Reference (ToR) provided in Annex 1.G. In case further assessment is warranted or when required by the Project Team, the Proponent will develop a Specific Environmental and Social Impact Assessment (Specific-ESIA) with a focus on certain environmental or social concerns, as well as the Environmental and Social Management Plan (ESMP).

In projects classified in Category C: Low Environmental and Social Impact Potential, the Proponent will not be required any environmental and social assessment, although environmental implications need to be reviewed.

To support the screening of this kind of projects, the proponent shall document the relevant exigencies of the national legislation, its procedures for identifying, mitigating and

monitoring impacts on Physical Cultural Resources and a procedure for managing chance finds (this procedure shall be included, updated or not, in the ESMP)

If during the environmental and social screening process, the project indicates the potential for significant conversion or degradation of critical forest or other natural habitats, the Project shall be classified Category A

When the project may involve Indigenous Peoples, involuntary resettlement, natural habitats and/or forest ecosystems, and pest management, the Project Proponent shall include specialists with proven experience in each of these fields, as relevant, in the interdisciplinary ESA expert professional team, accordingly.

A preliminary assessment shall be conducted ESA-wise to determine the likelihood for gender issues deserving particular attention, in which case criteria as set forth in Guidelines and Procedures on Environmental and Social Safeguards for Gender Mainstreaming shall be applied.

#### **V.5.2. Project Consultation and Disclosure**

Consultations with project-affected groups and key stakeholders shall: (i) be performed as soon as possible within the ESA process; (ii) ensure a free-access previous and informed involvement; (iii) effectively include, within the project design, the views of project-affected groups and key stakeholders, whenever it is deemed to be relevant; and (iii) up-keeping the consultation scheme over the project execution phase.

Throughout the ESA process, as well as during the project construction and operation phases, a proper information disclosure process of draft and final plan(s) and other instruments and its updates shall be performed, according to the specific requirements of each safeguard guidelines and its procedures. Such a process shall bear in mind that the information being disclosed: (i) is disclosed in a timely manner, before project appraisal, in an accessible place and/or media, and in a form and language(s) understandable to project affected groups, CSOs and other key stakeholders; and (ii) is relevant, and on the basis of that information, a comprehensive vision of the project itself and its environmental and social implications are in place.

Along the ESA process and for all projects being classified under Categories A and B, the Project Proponent, under the supervision of the Project Team, shall hold consultations with project-affected groups and key stakeholders, including, among others, non-governmental organizations, indigenous peoples, other ethnic communities and local communities, as well as the local and national authorities involved in the project. Where appropriate, views being expressed by these groups shall be borne in mind and shall be incorporated into the project's design and the planning stages; which include the documentation of relevant information, the assessment of potential impact and the design and implementation of mitigation plan. Processes related to relevant information documentation, potential impact assessment, and mitigation plans design and implementation applicable to physical cultural resources are include.

Information being supplied as a basis for consultations to be held, shall be: (i) disclosed in a prior and timely manner, in a understandable language, and easily accessible to all project-affected groups and key stakeholders; and (ii) relevant, so that on the basis of this



information, the former may have a comprehensive view of the project and its environmental and social impacts.

All projects classified as Category A shall perform, as a minimum, two consultations with project-affected groups and key stakeholders. The first consultation shall be held prior to the time when definite ToR are approved by the Project Team to conducting the Environmental and Social Impact Assessment (ESIA); this time, the Project Proponent, with the supervision of the Project Team, shall disclose a summary of the proposed project objectives, together with a description of the project and its potential environmental and social impacts. Whenever appropriate, and on the basis of the outcomes of this consultation, the concerns being expressed by project-affected groups and key stakeholders shall be incorporated into the ESIA Final ToR.

The second consultation shall be held once the preliminary version of the Environmental and Social Impact Assessment (ESIA) is available; this time, the Project Proponent, with the supervision of the Project Team, shall disclose the ESIA draft and a non-technical summary of conclusions. Based on the consultation findings, and where appropriate, measures being taken to address concerns being raised by project-affected groups and key stakeholders shall be incorporated into the project design and implementation and into the final version of the ESMP.

For projects classified as Category B, the consultation shall be held once the preliminary version of the Environmental and Social Management Plan (ESMP) is available. This time, the Project Proponent, with the supervision of the Project Team, shall disclose the draft version of the ESMP and a non-technical summary of findings. Based on the consultation findings, where appropriate, measures being taken to address concerns being raised by project-affected groups and key stakeholders shall be incorporated into the project design and implementation and into the final version of the ESMP.

The consultation process with project-affected groups and key stakeholders shall continue throughout the project construction and operation phases, as required, to address matters having a bearing on the ESIA/ESMP implementation and other concerns of these groups.

In public consultation process with project-affected groups and key stakeholders, in which Indigenous Peoples and/or involuntary resettlement processes are involved, these processes shall be held with due concern for specific requirements being spelled out in Guidelines and Procedures on Environmental and Social Safeguards for Indigenous Peoples and /or Involuntary Resettlements. In like manner, particular requirements being set forth for this particular purpose in Guidelines and Procedures on Environmental and Social Safeguards for Gender Mainstreaming shall be considered in consultation processes of this kind.

Terms of Reference to draw up the ESIA and the draft version of the ESIA for Category A projects; and the draft copy of the ESMP for Category B projects, shall be published on CAF Website, in the specific section for GEF projects, at least 30 days before each consultation process is scheduled to be held. Final documents (ToR, ESIA, ESMP) shall remain published on this site until the completion of the project. The results of the public consultation process shall also be published on CAF website, in the specific section for GEF projects, within a reasonable period of time after completion and shall remain on CAF website up to the completion of the project.



If project-affected groups and key stakeholders do not have a reasonable access to a CAF office or to CAF website for GEF projects, the Project Proponent, under the supervision of the Project Team, shall publish the consultation results, as well as any other relevant information in a local medium, translated or adjusted to the local language and, at all times, ensuring full access to this information.

If the project involves involuntary resettlement and/or Indigenous Peoples are present in the area where the project is expected to be executed, to making consultations with project-affected groups and key stakeholders, the guidance being spelled out in Guidelines and Procedures on the Environmental and Social Safeguards for Indigenous Peoples; Involuntary Resettlement; and Gender Mainstreaming shall be borne in mind.

Prior to the appraisal of the project all steps in the ESA process must have been completed, including ESA's public consultations and disclosure processes.

### **V.5.3. Monitoring**

Each and every project shall include a Monitoring Plan which shall be a part to the Environmental and Social Impact Assessment (ESIA) or the Environmental and Social Management Plan (ESMP). This Monitoring Plan shall set forth specific activities and indications to assess progress and efficiency in the implementation of environmental management measures as set forth by the ESIA/ESMP.

The Project Team may visit the project site and request periodic reports to the Project Proponent, in order to monitor environmental and social management progress and match field findings vis-à-vis periodic reports being submitted by the Project Proponent.

### **V.5.4. Grievances System**

In each and every project, the Procedure of the Grievances System, as set forth by CAF for GEF projects, and included in the chapter XII - Accountability and Grievances System, shall be made available to project-affected groups and key stakeholders.

## V.1. Annexes

### V.1.1. Annex 1A. Category A Projects

CAF requires that all Category A Projects must be subject to a full ESIA.	
1. Construction of a new road independent of the number of lanes or realignment and/or widening of an existing road.	10 km or more in a continuous length.
2. Construction of motorways and express roads.	All
3. Construction of lines for long-distance railway traffic	All
4. Construction of airports	Basic runway length of 2 100 m or more;
5. Construction of dams and other installations designed for the holding back or permanent storage of water,	Water held back or stored (new or additional) exceeds 10 million cubic metres.
6. Inland waterways and ports for inland-waterway traffic	Permitting the passage of vessels of over 1 350 tonnes;
7. Trading ports, piers for loading and unloading connected to land and outside ports, excluding ferry piers.	Handling vessels of over 1 350 tonnes.
8. Construction of pipelines for the transport of gas, oil or chemicals	Diameter of more than 800 mm and a length of more than 40 km.
9. Groundwater abstraction or artificial groundwater recharge schemes	Annual volume of water abstracted or recharged is equivalent to or exceeds 10 million cubic metres.
10. Works for the transfer of water resources between river basins, excluding transfers of piped drinking water.	Where this transfer aims at preventing possible shortages of water and where the amount of water transferred exceeds 100 million cubic metres/year;  In all other cases, where the multi-annual average flow of the basin of abstraction exceeds 2 000 million cubic metres/year and where the amount of water transferred exceeds 5 % of this flow.
11. Waste disposal installations for the incineration or chemical treatment of non-hazardous waste	Capacity exceeding 100 tonnes per day.
12. Waste water treatment plants	Capacity exceeding 150 000 population equivalent.
13. Waste disposal installations for the incineration, chemical treatment or landfill of hazardous waste.	All
14. Thermal power stations and other combustion installations.	With a heat output of 300 megawatts or more / or / electricity generation of 100

**CAF requires that all Category A Projects must be subject to a full ESIA.**

	megawatts or more
15. Construction of overhead electrical power lines	Voltage of 220 kV or more and a length of more than 15 km.
16. Integrated works for the initial smelting of cast-iron and steel	All
17. Installations for the production of non-ferrous crude metals from ore, concentrates or secondary raw materials by metallurgical, chemical or electrolytic processes.	All
18. Installations for the extraction of asbestos and for the processing and transformation of asbestos and products containing asbestos:	
a. for asbestos-cement products	Annual production of more than 20 000 tonnes of finished products,
b. for friction material	Annual production of more than 50 tonnes of finished products
c. for other uses of asbestos,	Using more than 200 tonnes per year.
19. Integrated chemical installations, i.e. those installations for the manufacture on an industrial scale of substances using chemical conversion processes, in which several units are juxtaposed and are functionally linked to one another and which are:	All
a. for the production of basic organic chemicals;	
b. for the production of basic inorganic chemicals;	
c. for the production of phosphorous-, nitrogen- or potassium-based fertilizers (simple or compound fertilizers);	
d. for the production of basic plant health products and of biocides;	
e. for the production of basic pharmaceutical products using a chemical or biological process;	
f. for the production of explosives.	
20. Industrial plants for the (a) production of pulp from timber or similar fibrous materials; and ( b) production of paper and board	Production capacity exceeding 200 tonnes per day
21. Installations for the intensive rearing of poultry or pigs	More than: 85 000 places for broilers or 60 000 places for hens;
22. Installations for the intensive rearing of poultry or pigs	More than: 3 000 places for production pigs (over 30 kg); or 900 places for sows.
23. Quarries and open-cast mining	Surface of the site exceeds 25 hectares
24. Peat extraction	Surface of the site exceeds 150 hectares
25. Nuclear power stations and other nuclear reactors including the dismantling or decommissioning of such power stations or reactors (*) (except research installations for the production and	Maximum power does not exceed 1 kilowatt continuous thermal load.

**CAF requires that all Category A Projects must be subject to a full ESIA.**

conversion of fissionable and fertile materials.	
26. Installations for the reprocessing of irradiated nuclear fuel	All
27. Installations designed: <ul style="list-style-type: none"> <li>a. for the production or enrichment of nuclear fuel,</li> <li>b. for the processing of irradiated nuclear fuel or high-level radioactive waste,</li> <li>c. for the final disposal of irradiated nuclear fuel,</li> <li>d. solely for the final disposal of radioactive waste,</li> <li>e. solely for the storage (planned for more than 10 years) of irradiated nuclear fuels or radioactive waste in a different site than the production site.</li> </ul>	All
28. Crude-oil refineries, excluding undertakings manufacturing only lubricants from crude oil,	All
29. Installations for the gasification and liquefaction of coal or bituminous shale	500 tonnes or more per day.
30. Installations for storage of petroleum, petrochemical, or chemical products.	Capacity of 200 000 tonnes or more
31. Extraction of petroleum for commercial purposes	Amount extracted exceeds 500 tonnes/day
32. Extraction of natural gas for commercial	Amount extracted exceeds 500 000 m3/day

### V.1.2. Annex 1.B Category B Projects

CAF requires that Category B Projects must be subject to ESIA only if it is determined, either by case-by-case examination or on the basis of thresholds and criteria set by the Member Country, that they are likely to have significant effects on the environment. Otherwise must submit a detailed ESMP.

1. **Agriculture, silviculture and aquaculture**
  - a. Projects for the restructuring of rural land holdings;
  - b. Projects for the use of uncultivated land or semi-natural areas for intensive agricultural purposes;
  - c. Water management projects for agriculture, including irrigation and land drainage projects;
  - d. Initial afforestation and deforestation for the purposes of conversion to another type of land use;
  - e. Intensive livestock installations (projects not included in Category A);
  - f. Intensive fish farming;
  - g. Reclamation of land from the sea.
2. **Extractive industry**
  - a. Quarries, open-cast mining and peat extraction (projects not included in Category A);
  - b. Underground mining;
  - c. Extraction of minerals by marine or fluvial dredging;
  - d. Deep drillings, in particular:
    - geothermal drilling,
    - drilling for the storage of nuclear waste material,
    - drilling for water supplies, with the exception of drillings for investigating the stability of the soil;
  - e. Surface industrial installations for the extraction of coal, petroleum, natural gas and ores, as well as bituminous shale.
3. **Energy industry**
  - a. Industrial installations for the production of electricity, steam and hot water (projects not included in Category A);
  - b. Industrial installations for carrying gas, steam and hot water; transmission of electrical energy by overhead cables (projects not included in Category A);
  - c. Surface storage of natural gas;
  - d. Underground storage of combustible gases;
  - e. Surface storage of fossil fuels;
  - f. Industrial briquetting of coal and lignite;
  - g. Installations for the processing and storage of radioactive waste (unless included in Annex I);
  - h. Installations for hydroelectric energy production;
  - i. Installations for the harnessing of wind power for energy production (wind farms).
4. **Production and processing of metals**
  - a. Installations for the production of pig iron or steel (primary or secondary fusion) including continuous casting;
  - b. Installations for the processing of ferrous metals:
    - hot-rolling mills;
    - smithies with hammers;
    - application of protective fused metal coats;
  - c. Ferrous metal foundries;
  - d. Installations for the smelting, including the alloyage, of non-ferrous metals, excluding precious metals, including recovered products (refining, foundry casting, etc.);

CAF requires that Category B Projects must be subject to ESIA only if it is determined, either by case-by-case examination or on the basis of thresholds and criteria set by the Member Country, that they are likely to have significant effects on the environment. Otherwise must submit a detailed ESMP.

- e. Installations for surface treatment of metals and plastic materials using an electrolytic or chemical process;
- f. Manufacture and assembly of motor vehicles and manufacture of motor-vehicle engines;
- g. Shipyards;
- h. Installations for the construction and repair of aircraft;
- i. Manufacture of railway equipment;
- j. Swaging by explosives;
- k. Installations for the roasting and sintering of metallic ores.

**5. Mineral industry**

- a. Coke ovens (dry coal distillation);
- b. Installations for the manufacture of cement;
- c. Installations for the production of asbestos and the manufacture of asbestos-products (projects not included in Category A);
- d. Installations for the manufacture of glass including glass fibre;
- e. Installations for smelting mineral substances including the production of mineral fibres;
- f. Manufacture of ceramic products by burning, in particular roofing tiles, bricks, refractory bricks, tiles, stoneware or porcelain.

**6. Chemical industry (Projects not included in Category A)**

- a. Treatment of intermediate products and production of chemicals;
- b. Production of pesticides and pharmaceutical products, paint and varnishes, elastomers and peroxides;
- c. Storage facilities for petroleum, petrochemical and chemical products.

**7. Food industry**

- a. Manufacture of vegetable and animal oils and fats;
- b. Packing and canning of animal and vegetable products;
- c. Manufacture of dairy products;
- d. Brewing and malting;
- e. Confectionery and syrup manufacture;
- f. Installations for the slaughter of animals;
- g. Industrial starch manufacturing installations;
- h. Fish-meal and fish-oil factories;
- i. Sugar factories.

**8. Textile, leather, wood and paper industries**

- a. Industrial plants for the production of paper and board (projects not included in Category A);
- b. Plants for the pre-treatment (operations such as washing, bleaching, mercerization) or dyeing of fibres or textiles;
- c. Plants for the tanning of hides and skins;
- d. Cellulose-processing and production installations.

**9. Rubber industry - Manufacture and treatment of elastomer-based products.**

**10. Infrastructure projects**

CAF requires that Category B Projects must be subject to ESIA only if it is determined, either by case-by-case examination or on the basis of thresholds and criteria set by the Member Country, that they are likely to have significant effects on the environment. Otherwise must submit a detailed ESMP.

- a. Industrial estate development projects;
- b. Urban development projects, including the construction of shopping centres and car parks;
- c. Construction of railways and intermodal transshipment facilities, and of intermodal terminals (projects not included in Category A);
- d. Construction of airfields (projects not included in Category A);
- e. Construction of roads, harbours and port installations, including fishing harbours (projects not included in Category A);
- f. Inland-waterway construction not included in Category A, canalisation and flood-relief works;
- g. Dams and other installations designed to hold water or store it on a long-term basis (projects not included in Category A);
- h. Tramways, elevated and underground railways, suspended lines or similar lines of a particular type, used exclusively or mainly for passenger transport;
- i. Oil and gas pipeline installations (projects not included in Category A);
- j. Installations of long-distance aqueducts;
- k. Coastal work to combat erosion and maritime works capable of altering the coast through the construction, for example, of dykes, moles, jetties and other sea defence works, excluding the maintenance and reconstruction of such works;
- l. Groundwater abstraction and artificial groundwater recharge schemes not included in Category A;
- m. Works for the transfer of water resources between river basins not included in Category A.

**11. Other projects**

- a. Permanent racing and test tracks for motorised vehicles;
- b. Installations for the disposal of waste (projects not included in Category A);
- c. Waste-water treatment plants (projects not included in Category A);
- d. Sludge-deposition sites;
- e. Storage of scrap iron, including scrap vehicles;
- f. Test benches for engines, turbines or reactors;
- g. Installations for the manufacture of artificial mineral fibres;
- h. Installations for the recovery or destruction of explosive substances;
- i. Knackers' yards.

**12. Tourism and leisure**

- a. Ski-runs, ski-lifts and cable-cars and associated developments;
- b. Marinas;
- c. Holiday villages and hotel complexes outside urban areas and associated developments;
- d. Permanent camp sites and caravan sites;
- e. Theme parks.

**13. Any change or extension of projects listed in Category A or Category B, already authorised, executed or in the process of being executed, which may have significant adverse effects on the environment;**

**14. Projects in Category A, undertaken exclusively or mainly for the development and testing of new methods or products and not used for more than two years**

### V.1.3. Annex 1C. Category C Projects

In the case of Category C Projects, CAF will not require any environmental and social assessment, although environmental implications need to be reviewed.

1. Installation of solar powered (self-contained) equipment
2. Micro and small-scale (off-grid) solar and wind power generation installations (up to 3 MW)
3. Small-scale repair and renovation of buildings and industrial plants
4. Education programs, excluding the construction of educational buildings
5. Health education programs
6. Nutrition programs
7. Family planning education
8. Advisory services (studies, research, project structuring and management)
9. Knowledge management/transfer activities
10. Institutional strengthening activities
11. Other small-scale projects with no apparent environmental impact.



#### **V.1.4. Annex 1.D. Guidelines and Procedures for Reviewing the Environment and Social Impact Assessment (ESIA) and Environment and Social Management Plan (ESMP)**

##### **A. General Considerations**

1. The review of the quality of ESIA/ESMP is one of the main 'check and balance' built into the ESA process. It helps to ensure the information submitted is adequate and sufficient for decision-making purposes. The quality of ESIA/ESMP reports is significantly improved by review, resulting in more informed approvals and better environmental outcomes.

2. The purpose of review is to assure the completeness and quality of the information gathered in an ESIA/ESMP. Often, this process leads to a requirement for additional information on potential impacts, mitigation measures or other aspects. It is important to remember that the main aim of an ESIA/ESMP is to provide good information for two audiences: decision makers and people potentially affected by a project.

3. In this way, these guidelines and procedure can be used for the Project Proponent to ensure their work fulfills appropriate standards before it is subject to external review. This can help to avoid delays associated with the issuance of deficiency statements or requests for additional information.

4. A comprehensive review of the adequacy and quality of an ESIA/ESMP report would address many or all of the following issues:

- Does the report address the Terms of Reference?
- Is the necessary information provided for each major component of the ESIA/ESMP report?
- Is the information correct and technically sound?
- Have the views and concerns of affected and interested parties been taken into account?
- Is the statement of the key findings complete and satisfactory, e.g. for significant impacts, proposed mitigation measures, etc.?
- Is the information clearly presented and understandable by the Project Team and the public?
- Is the information relevant and sufficient for the purpose of project and condition setting? The response to the last question is the most significant aspect for review conclusions, and will largely determine whether or not an ESIA/ESMP can be submitted as is or with minor revisions.

5. In this way, the key objectives of ESIA/ESMP review are to:

- Assess the adequacy and quality of an ESIA/ESMP report;
- Take account of public comment;
- Determine if the information is sufficient for a final decision to be made; and
- Identify, as necessary, the deficiencies that must be addressed before the report can be accepted submitted.

##### Additional ESIA/ESMP criteria to quality review

6. The following criteria shall be used in the quality review of ESIA/ESMP. The ESIA/ESMP document (underlined criteria are applicable to ESMP):

- Complies with explicit guidelines, standards, and criteria for review (included CAF-GEF Environmental and Social safeguards);
- Complies with the TORs;
- Includes necessary information for each major component;
- Uses adequate methodology and technically-sound information;
- Considers stakeholders' views;
- Presents key findings;
- Provides clear, easy-to-understand information to decision makers and the public;

- Provides relevant and sufficient information for the specific decision-making situation.
- Has a clear structure with a logical sequence for example, describing, existing baseline conditions, predicted impacts, etc.
- Includes impacts (nature, extent and magnitude), scope for mitigation, agreed mitigation measures, and significance of unavoidable/residual impacts for each environmental topic.
- Includes a table of contents at the beginning of the document.
- Reads as a single document with appropriate cross-referencing.
- Is concise, comprehensive and objective.
- Is written in an impartial manner without bias.
- Includes a full description of the development proposals.
- Makes effective use of diagrams, illustrations, photographs and other graphics to support the text.
- Uses consistent terminology with a glossary.
- References all information sources used.
- Has a clear explanation of complex issues.
- Contains a good description of the methods used for the studies of each environmental or social topic.
- Covers each environmental or social topic in a way that is proportionate to its importance.
- Provides evidence of good consultations.
- Includes a clear discussion of alternatives.
- Makes a commitment to mitigation (with a Plan / Program) and to monitoring.
- Proposes prevention and mitigation solutions that are consistent with CAF-GEF Environmental and Social safeguards requirements.
- Resolves (proposing consistent mitigation solutions) all significant impacts.
- Proposes mitigation solutions that are consistent with good international practices.
- Has a Non-Technical Summary that does not contain technical terminology.

## **B. Procedures**

### Steps to carry out the review

7. The review will be done in four steps:

(a) Step 1: Preliminary review: by using the Terms of Reference, verify if the content of the report is complete. In case the report is incomplete, return the document to the Project Proponent specifying the incomplete material. If the report is complete, move to Step 2.

(b) Step 2: identify the deficiencies in the ESIA/ESMP report, using the Terms of Reference and these guidelines.

To identify deficiencies, first decide for each Review Question, whether the question is relevant to the specific project. If the question is relevant, enter "Yes" in Column 2. At the end of each section of the Questionnaire, consider whether there are any special features of the project that mean that types of information not identified in the Questionnaire could be relevant and add these to the Questionnaire in the spaces provided.

If a Review Question is identified as relevant, review the ESIA document in more detail and decide whether the particular information identified in the question is provided and is sufficient to ensure adequate safeguards performance. When appraising quality, instead of entering either "Yes" or "No". in Column "Adequately addressed", the reviewer shall use the following grading system:

- 5: Full provision of information with no gaps or weaknesses
- 4: Good provision of information with only very minor weaknesses which are not of importance to the decision
- 3: Adequate provision of information with any gaps or weaknesses in information not being vital to the decision process
- 2: Weak provision of information with gaps and weaknesses which will hinder the decision process but require only minor work to complete
- 1: Very Poor provision of information with major gaps or weaknesses which would prevent the

decision process proceeding and require major work to complete.

In considering whether the information is sufficient the reviewer should consider whether there are any omissions in the information and if there are whether these omissions are vital to ensure adequate safeguards performance. If they are not then it may be unnecessary to request further information. (This will avoid unnecessary delay to the process). Factors to consider will include:

- The scale and complexity of the project and the sensitivity of the receiving environment.
- Whether the environmental or social issues raised by the project are high profile.
- The views of the public and consultees about the project and the degree of controversy.
- Precedents related to problematic issues or situations associated to similar circumstances.

The reviewer grades the quality of information in each section of the questionnaire by calculating the average of the relevant questions grades. To obtain an overall grade for the ESIA /ESMP, the reviewer uses the weighting factor table provided in Sections E. and F of this Annex.

(c) Step 3: focus on any shortcomings in the ESIA/ESMP report and separate crucial deficiencies, (those that significantly may affect adequate safeguards performance), from less important ones. If no serious omissions are found, this should be stated clearly.

(d) Step 4: For any crucial shortcoming which answer has been “No”, consider what further information is required and note this in Column 4. Recommend how, and when, any serious shortcomings are to be remedied to ensure adequate safeguards performance and appropriate measures for project implementation (see Determining remedial options).

#### Determining remedial options

8. Three remedial options are available when an ESIA/ESMP report fails to meet the standards required. These are scaled according to the nature and scope of the inadequacies.

(a) If shortcomings are not major, Project Team could recommend monitoring the shortcomings and uncertainties during the project's implementation and operation. Shortcomings could be rectified by: (i) explanatory material attached to the report; or (ii) through the conditions that should be fulfilled on deadlines established by the Project Team. In case of an ESIA /ESMP with an overall grade equal or greater than 80 (maximum rating = 100) the project team can request the Project Proponent to solve uncertainties during the project's implementation and operation.

(b) The shortcomings could be rectified by explanatory material attached to the report and prior to its approval. In this situation, Project Team must provide to Project's Proponent a clear statement as to how the additional information must be collected and presented. In case of an ESIA /ESMP with an overall grade less than 80 and greater than 60 (maximum rating = 100) the project team can request the Project Proponent to be rectify shortcomings by explanatory material attached to the report and prior to its approval.

(c) The shortcomings of the ESIA/ESMP report are so serious that they require immediate remedy, either a supplementary or a new ESIA/ESMP report. In this situation, the Project Team should give a clear statement as to how the additional information could be collected and presented. Project Proponent must realize that the decision-making will be delayed, until a new report or supplement to the ESIA/ESMP report is completed and approved. In case of an ESIA /ESMP with an overall grade equal or less than 60 (maximum rating = 100) the project team can request the Project Proponent to present either a supplementary or a new ESIA/ESMP report, based on Project Team criteria.

NOTE 1: to determine if shortcomings of the ESIA/ESMP report are or are not major, and if they require or not immediate remedy, the reviewer shall consider: (i). the time and effort required to

produce the rectification; (ii). The effects, consequences and impacts of the shortcoming on the development of the ESIA/ESMP itself; (iii) the possible effects, consequences and impacts of the shortcoming on the environment and the project, as consequence of its activities. 2. the possible effects, consequences and impacts of the shortcoming on the regulatory process of the project and on the credibility and image of the Project Proponent, and CAF as GEF Agency.

NOTE 2: In case of shortcomings as describe following, it shall be required immediate remedy, either by a supplementary or by a new ESIA/ESMP report:

- Shortcomings with possible significant effects, consequences or impacts:
  - on the development of the ESIA/ESMP itself,
  - on the definition or design of mitigation measures,
  - on the decisions related to mitigation measures,
  - on the design of monitoring plans
  - on the control of the environmental and social performance of the project,
- General or repeated deficiencies related to a methodological approach.
- General or repeated deficiencies related to technical or scientific consistency or quality.

9. The Project Team may use one or more experts to peer review of the report. The expert(s) contracted should be independent from those involved in preparing the ESIA/ESMP report or undertaking studies.

### C. ESIA Guidelines

#### Description of the development, the local environment and the baseline conditions

10. *Description of the development:* the purpose(s) of the development is adequately described as well as its physical characteristics, scale and design. Quantities of material needed during construction and operation are included and, where appropriate, a description is given of the production processes.

SECTION 10: Description of the development			
Project Name _____			
Project Proponent Organization Name, Country, _____			
ESIA / ESMP Responsible _____			
Document submission for review (date) _____			
Criteria /review Question	Relevant?	Adequately addressed?	What further information is required?
(a) The purposes and objectives of the development are adequately explained.			
(b)The design, size or scale of the development, and the nature and duration of charts and/or maps are used effectively for this purpose			
(c)The report adequately describes the environmental planning that went into the design of the project to minimize negative			

environmental effects and capture potential benefits.			
(d) Important design features, especially those for environmental planning and socio-economic management (e.g. pollution control, waste management, and erosion control, handling of toxic or hazardous materials, worker services) are highlighted.			
(e) There is an adequate indication of the physical presence or appearance of the completed development within the receiving environment.			
(f) The nature and quantities of material need during both the construction and operational processes.			
(g) The numbers of workers involved with the project during both construction and operation are estimated.			
<b>SECTION 10 GRADE:</b> $(\sum (a) \text{ grade} + \dots + (g) \text{ grade})^* / \# \text{ of relevant questions} =$ <b>( ) / # of relevant questions =</b> *= Only relevant questions			
<i>Additional Comments:</i>			

11. Site description: the on-site land requirements of the development are described, as well as the duration of each land use.

<b>SECTION 11: Site description</b>			
<b>Criteria /review Question</b>	<b>Relevant?</b>	<b>Adequately addressed?</b>	<b>What further information is required?</b>
(a) The land area taken up by the development site is well defined and its location clearly shown on a map.			
(b) The uses to which this land will be put are described and the different land use areas demarcated.			
(c) Where alternate plans, designs or sites are being considered each is adequately discussed according to criteria stated in paragraphs 10 (a) and (b) above.			
<b>SECTION 11 GRADE:</b> $(\sum (a) \text{ grade} + \dots + (c) \text{ grade})^* / \# \text{ of relevant questions} =$ <b>( ) / # of relevant questions =</b> *= Only relevant questions			
<i>Additional Comments:</i>			

12. Residuals: the types and quantities of residual and/or waste matter and energy created are adequately estimated, the expected rate of production given, and the proposed disposal routes to the

environment identified.

SECTION 12: Residuals			
Criteria /review Question	Relevant?	Adequately addressed?	What further information is required?
(a)The types and quantities of waste matter, energy and residual materials and the rate at which these will be produced, are adequately estimated. Uncertainties are acknowledged and ranges or confidence limits given where possible.			
(b)The ways in which it is proposed to handle and/or treat these wastes and residuals is indicated, together with the routes by which they will eventually be disposed of to the environment.			
<b>SECTION 10 GRADE:</b> $(\sum (a) \text{ grade} + (b) \text{ grade})^* / \# \text{ of relevant questions} =$ <b>( ) / # of relevant questions =</b> *= Only relevant questions			
Additional Comments:			

13. Bounding the study: appropriate boundaries to the study area and time horizon are identified.

SECTION 13: Bounding the study			
Criteria /review Question	Relevant?	Adequately addressed?	What further information is required?
(a)The environment expected to be affected by the development is delimited with the aid of suitable scale map(s).			
(b)The affected environment is defined broadly enough to include any potentially significant effects occurring away from the immediate project site(s). These may be caused by, for example, the dispersion of pollutants, off-site infrastructure requirements, traffic, etc.			
(c)The time horizon of the study is long enough to account for delayed effects.			
<b>SECTION 13 GRADE:</b> $(\sum (a) \text{ grade} + \dots + (c) \text{ grade})^* / \# \text{ of relevant questions} =$ <b>( ) / # of relevant questions =</b> *= Only relevant questions			
Additional Comments:			

14. Baseline condition: an adequate description of the affected environment as it is currently, and as it could be expected to develop if the project were not to proceed, is presented.

SECTION 14: Baseline condition			
Criteria /review Question	Relevant?	Adequately addressed?	What further information is required?
(a)The important components of the affected environments are adequately identified and described. The methods and investigation undertaken for this purpose are disclosed and are appropriate to the size and complexity of the assessment task. An appropriate amount of field work was done. Uncertainties are indicated.			
(b)Existing data sources were searched and, where relevant, used. These include local authority records and studies carried out by, or on behalf			
(c) Local land use and development plans were consulted and other data collected as necessary to assist in the determination of the probable future state of the environment, in the absence of the project, taking into account natural fluctuations and human activities.			
<b>SECTION 14 GRADE: <math>(\sum (a) \text{ grade} + \dots + (c) \text{ grade})^* / \# \text{ of relevant questions} =</math></b> <b>( ) / # of relevant questions =</b> *= Only relevant questions		—	
Additional Comments:			

#### Identification, Analysis and Assessment of Impacts

15. Identification of impacts: all potentially significant impacts are identified. Key impacts are also identified and the main investigation focused on these.

SECTION 15: Identification of impacts			
Criteria /review Question	Relevant?	Adequately addressed?	What further information is required?
(a) All important issues identified in the ESIA/ESMP terms of reference are included in the report. Deviations and exclusions are adequately accounted for.			
(b) Direct and indirect impacts are identified using a systematic methodology (e.g. project-specific checklists, matrices, impact networks,			



expert judgment, and extensive consultations). A brief description of the impact identification methods is given along with the rationale for using them.			
(c) Due attention is paid to environmentally sensitive areas, to off-site, time delayed or recurring (e.g. seasonal) impacts and to cumulative or synergistic effects with existing and anticipated developments.			
(d) Consideration is not limited to effects which will occur under design operating conditions. Where appropriate, impacts which might arise from non-standard operating conditions, or due to accidents, are also included.			
(e) All phases of the project are considered e.g. pre-construction, construction, operation and decommissioning.			
(f) Key impacts were identified and selected for more intense investigation. The scoping methods are described and their use justified.			
<b>SECTION 15 GRADE:</b> $(\sum (a) \text{ grade} + \dots + (f) \text{ grade})^* / \#$ of relevant questions = <b>( ) / # of relevant questions =</b> *= Only relevant questions			
<i>Additional Comments:</i>			

16. Analysis of impact severity: the likely impacts of the development on the environment are analyzed and described in as precise terms as possible.

<b>SECTION 16: Analysis of impact severity</b>			
<b>Criteria /review Question</b>	<b>Relevant?</b>	<b>Adequately addressed?</b>	<b>What further information is required?</b>
(a) Impacts are analyzed as the deviation from baseline conditions, i.e. the difference between environmental conditions expected if the development were not to proceed and those expected as a consequence of it.			
(b) The data used to estimate the severity of impacts is sufficient for the task and clearly described. Any gaps in the required data are indicated and accounted for.			
(c) The methods used to predict impact severity are described and are appropriate to the size and importance of the projected disturbance. The assumptions and limitations of the methods are explicitly discussed.			
(d) Descriptions of impact severity encompass the appropriate characteristics of impact (e.g. magnitude, areal extent, duration, frequency,			



reversibility, likelihood of occurrence).			
(e) Where possible, estimates of impacts are recorded in measurable quantities with ranges and/or confidence limits as appropriate. Qualitative descriptions, where necessary, are as fully defined as possible (e.g. 'minor' means not perceptible from more than 100m distance).			
<b>SECTION 16 GRADE:</b> $(\sum (a) \text{ grade} + \dots + (e) \text{ grade})^* / \# \text{ of relevant questions} =$ <b>( ) / # of relevant questions =</b> *= Only relevant questions			
Additional Comments:			

17. Assessment of impact significance: the expected significance that the projected impacts will have for society is adequately assessed. The sources of quality standards plus the rationale, assumptions and value judgments used in assessing significance are fully described.

SECTION 17: Assessment of impact significance			
Criteria /review Question	Relevant?	Adequately addressed?	What further information is required?
(a) The significance of all impacts that will remain after mitigation are described and clearly distinguished from impact severity.			
(b) The significance of impacts is assessed using appropriate national and international quality standards where available. Explicit account is taken of the values placed on affected environmental features locally, nationally and (where appropriate) internationally.			
(c) The choice of standards, assumptions and value systems used to assess significance are justified and the existence of opposing or contrary opinions acknowledged.			
(d) Wherever possible, economic values are attributed to environmental costs and benefits.			
(e) Individuals, groups, communities and government agencies affected by the project are clearly identified.			
<b>SECTION 17 GRADE:</b> $(\sum (a) \text{ grade} + \dots + (e) \text{ grade})^* / \# \text{ of relevant questions} =$ <b>( ) / # of relevant questions =</b> *= Only relevant questions			
Additional Comments:			

18. Alternatives: project alternatives are considered. These are outlined, the environmental implications of each presented and the reasons for their adoption or rejection briefly discussed.

SECTION 18: Alternatives			
Criteria /review Question	Relevant?	Adequately addressed?	What further information is required?
(a) Alternative sites, processes, designs and operating conditions are considered where these are practicable and available to the developer. The main environmental advantages and disadvantages of these are discussed and the reasons for the final choice given.			
((b) Where possible, alternative construction strategies (e.g. timing, local versus imported labor) are considered and assessed for their environmental and socio-economic implications.			
(c) For public sector proposals, alternative means of achieving project goals are considered (e.g. energy efficiency investments versus dams for energy supply). If not, the report discusses why this was not done.			
<b>SECTION 18 GRADE:</b> $(\sum (a) \text{ grade} + \dots + (c) \text{ grade})^* / \# \text{ of relevant questions} =$ <b>( ) / # of relevant questions =</b> *= Only relevant questions		—	
Additional Comments:			

19. Scope and effectiveness of mitigation measures: all significant adverse impacts are considered for mitigation. Evidence is presented to show that proposed impact management measures will be appropriate and effective.

SECTION 19: Scope and effectiveness of mitigation measures			
Criteria /review Question	Relevant?	Adequately addressed?	What further information is required?
(a) Concerned stakeholders (e.g. individuals, groups, communities, Government agencies) have been adequately consulted and their views accounted for in the development of mitigation measures.			
(b) The mitigation of all significant adverse impacts is considered. Wherever possible,			

specific mitigation measures are defined in practical terms (e.g. costs, manpower, equipment and technology needs and timing).			
(c) Any residual or unmitigated impacts are discussed and justification offered as to why these impacts should not or cannot be mitigated.			
(d) It is clear to what extent the mitigation methods will be effective. Where effectiveness is uncertain or depends on assumptions about operating procedures, climatic conditions, etc. Data is introduced to justify the acceptance of these assumptions.			
(e) An effective environmental monitoring and management plan is presented to deal with expected; possible but uncertain; and unforeseen impacts caused by the project. Training needs are identified. The costs of the program are estimated. Developer and government responsibilities are distinguished, reporting and review procedures are specified.			
<b>SECTION 19 GRADE:</b> $(\sum (a) \text{ grade} + \dots + (e) \text{ grade})^* / \# \text{ of relevant questions} =$ <b>( ) / # of relevant questions =</b> *= Only relevant questions			
<i>Additional Comments:</i>			

20. Commitment to mitigation: the Project Proponent clearly expresses a commitment to, and capability of, carrying out the mitigation measures.

<b>SECTION 20: Commitment to mitigation</b>			
<b>Criteria /review Question</b>	<b>Relevant?</b>	<b>Adequately addressed?</b>	<b>What further information is required?</b>
(a) The Project Proponent clearly expresses a commitment to, and capability of, carrying out the mitigation measures.			
<b>SECTION 20 GRADE:</b> (a) grade			
<i>Additional Comments:</i>			

### Communication

21. Public involvement: there were genuine and adequate consultations with concerned project stakeholders to inform them of the project and its implications and to obtain their views on key issues to be investigated and managed. The scope and results of the public involvement program are adequately documented in the report.

SECTION 21: Public involvement			
Criteria /review Question	Relevant?	Adequately addressed?	What further information is required?
(a) There were genuine and adequate consultations with concerned project stakeholders to inform them of the project and its implications and to obtain their views on key issues to be investigated and managed. The scope and results of the public involvement program are adequately documented in the report.			
<b>SECTION 21 GRADE:</b> (a) grade			
<i>Additional Comments:</i>			

22. Layout: the layout of the report enables the reader to find and assimilate information easily and quickly. External data sources are acknowledged.

SECTION 22: Layout			
Criteria /review Question	Relevant?	Adequately addressed?	What further information is required?
(a) There is an introduction briefly describing the project, the aims of the environmental assessment and how those aims are to be achieved.			
(b) Information is logically arranged in sections or chapters and the whereabouts of important data is indicated in a table of contents or index. Terms of reference and data used in the assessment are included in appendices. The study team members are identified.			
(c) When data, conclusions or quality standards from external source are introduced, the original source is acknowledged at that point in the text. A full reference is included in a footnote or in a list of references.			
<b>SECTION 22 GRADE:</b> $(\sum (a) \text{ grade} + \dots + (c) \text{ grade})^* / \# \text{ of relevant questions} =$ <b>( ) / # of relevant questions =</b> *= Only relevant questions			

Additional Comments:

23. Presentation: care is taken in the presentation of information to make sure that it is accessible to the non-specialist.

SECTION 23: Presentation			
Criteria /review Question	Relevant?	Adequately addressed?	What further information is required?
(a) Information is comprehensible to the non-specialist. Tables, graphs and other graphics are used as appropriate. Unnecessarily technical or obscure language is avoided. Technical terms, acronyms and initials are defined, either when first introduced in the text or in a glossary.			
(b) The report is presented as an integrated whole. Data presented in appendices is fully discussed in the main body of the text.			
SECTION 23 GRADE: (a) grade + (b) grade)* / # of relevant questions = ( ) / # of relevant questions = *= Only relevant questions			
Additional Comments:			

24. Emphasis: information is presented without bias and receives the emphasis appropriate to its importance in the context of the project.

SECTION 24: Emphasis			
Criteria /review Question	Relevant?	Adequately addressed?	What further information is required?
(a) Prominence and emphasis is given to all potentially significant impacts, both adverse and beneficial, in a balanced manner.			
(b) The statement is unbiased and does not lobby for any particular point of view.			
SECTION 24 GRADE: (a) grade + (b) grade)* / # of relevant questions = ( ) / # of relevant questions = *= Only relevant questions			
Additional Comments:			

25. Non-technical summary: there is an adequate non-technical summary outlining the main conclusions and how they were reached.

SECTION 25: Non-technical summary			
Criteria /review Question	Relevant?	Adequately addressed?	What further information is required?
(a) There is an adequate non-technical summary of the analysis and main findings of the study. Technical terms, lists of data and detailed explanations of scientific reasoning are avoided.			
(b) The summary is comprehensive, containing at least a brief description of the project and the environment, an account of the main impacts and mitigation measures to be undertaken by the developer, and a description of any remaining or residual impacts. A brief explanation of the methods by which information and data were obtained, and an indication of the confidence that can be placed in them, is also included.			
<b>SECTION 25 GRADE:</b> (a) grade + (b) grade)* / # of relevant questions = <b>( ) / # of relevant questions =</b> *= Only relevant questions		—	
Additional Comments:			

#### D. ESMP Guidelines

26. History:

SECTION 26: ESMP- History			
Criteria /review Question	Relevant?	Adequately addressed?	What further information is required?
(a) Introduction;			
(b) Description of the project;			
(c) Context of the ESMP;			
(d) Objectives of the ESMP;			
(e) Environmental Policy.			

<b>SECTION 26 GRADE:</b> $(\sum (a) \text{ grade} + \dots + (e) \text{ grade})^* /$ # of relevant questions = ( ) / # of relevant questions = *= Only relevant questions	_____	
Additional Comments:		

27. Management:

SECTION 27: ESMP – Management			
Criteria /review Question	Relevant?	Adequately addressed?	What further information is required?
(a) Structure and responsibility for environmental management (considering operation, supervision, enforcement, monitoring of implementation, remedial action, financing, reporting and staff training). Description of existing capacity and projected organizational changes intended to ensure the effective implementation of the ESMP;			
(b) approval and licensing requirements;			
(c) reports on the ESMP (legal and organizational requirements and commitments);			
(d) environmental training: description and schedule; including technical assistance programs, if applicable;			
(e) environmental management resources: existing and planned equipment and supplies;			
(f) ESMP projected budget;			
(g) Contacts and emergency response.			
<b>SECTION 27 GRADE:</b> $(\sum (a) \text{ grade} + \dots + (g) \text{ grade})^* /$ # of relevant questions = ( ) / # of relevant questions = *= Only relevant questions	_____		
Additional Comments:			

28. Execution:

SECTION 28: ESMP- Execution:			
Criteria /review Question	Relevant?	Adequately addressed?	What further information is required?
(a) Risk Assessment:			
(b) Mitigation measures:			

(c) Other mitigation activities related project and a description of links to other project mitigation plans			
(d) Additional documentation such as drawings and / or environmental management maps			
(e) Schedules of ESMP			
<b>SECTION 28 GRADE:</b> $(\sum \text{(a) grade} + \dots + \text{(e) grade})^* / \text{\# of relevant questions} =$ <b>( ) / \# of relevant questions =</b> *= Only relevant questions		_____	
Additional Comments:			

29. Monitoring and review:

SECTION 29: ESMP- Monitoring and review			
Criteria /review Question	Relevant?	Adequately addressed?	What further information is required?
(a) Description of monitoring objectives;			
(b) Specification and description of each type of measure related monitoring (the) impact (s) which correspond (s) evaluated in the EA report and related mitigation measures described in the ESMP. The description of each measure monitoring includes technical information, as parameters to be measured, methods to be used, location of sampling, frequency of measurements, detection limits (where appropriate), and definition of thresholds that will signal the need for corrective actions ,			
(c) monitoring and reporting procedures to ensure early detection of conditions requiring specific mitigation measures, and providing information on the progress and results of mitigation;			
(d) Environmental Audit;			
(e) plan of corrective action;			
(f) Review of the ESMP.			



<b>SECTION 29 GRADE:</b> $(\sum (a) \text{ grade} + \dots + (f) \text{ grade})^* / \#$ of relevant questions = (____) / # of relevant questions = *= Only relevant questions	_____	
Additional Comments:		

30. ESMP Integration with the project:

SECTION 30: ESMP Integration with the project			
Criteria /review Question	Relevant?	Adequately addressed?	What further information is required?
(a) Integration of individual mitigation and monitoring, and allocation of institutional responsibilities for the planning, design, budget and performance (financing and supervision similar to the other components plan).			
<b>SECTION 30 GRADE:</b> (a) grade		_____	
Additional Comments:			

#### E. Overall grade for the ESIA

ESIA OVERALL GRADE CALCULATION			
SECTION	SECTION GRADE	weighting factor	SECTION WEIGHTED GRADE = (Section grade) x(weighting factor)
10		1	
11		1	
12		1	
13		1	
14		2	
15		2	
16		2	
17		3	
18		2	
19		3	
20		3	
21		3	
22		1	
23		2	

24		2	
25		2	
<b>ESIA Overall grade =</b> $\sum$ (Section 10 weighted grade) +...+ (Section 25 weighted grade)			_____
Additional Comments:			

#### F. Overall grade for the ESMP

ESIA OVERALL GRADE CALCULATION			
SECTION	SECTION GRADE	weighting factor	SECTION WEIGHTED GRADE = (Section grade) x(weighting factor)
26		4	
27		4	
28		4	
29		4	
30		4	
<b>ESMP Overall grade =</b> $\sum$ (Section 26 weighted grade) +...+ (Section 30 weighted grade)			_____
Additional Comments:			

#### G. Remedial Options

##### 31. Remedial Options Description:

<b>SECTION 31: Remedial Options Description</b>	
Review Responsible Officers:	
Name _____ Position _____ Review Date _____ Signature _____	
Name _____ Position _____ Review Date _____ Signature _____	
The Overall grade for the ESIA / ESMP is _____ / 100	
The general final result of the review is (mark with an x):	
(a) Found shortcomings are not major. Shortcomings could be rectified by: (i) explanatory material attached to the report; or (ii) through the conditions that should be fulfilled on deadlines established by the Project Team.	
(b) Found shortcomings could be rectified by explanatory material attached to the report and prior to its approval.	

(c) Found shortcomings of the ESIA/ESMP report are so serious that they require immediate remedy, either a supplementary or a new ESIA/ESMP report.	
(d) No significant shortcomings were found and the document can be accepted as submitted for review	
<i>Remedial Options Description and statement for the Project Proponent (in case of (c) -Found shortcomings of the ESIA/ESMP report are so serious that they require immediate remedy, either a supplementary or a new ESIA/ESMP report-, summarize the specific technical considerations that allow the conclusion.)</i>	

## H. Setting's formal Complaints Procedure (In case the Project Proponent disagrees with the result of the ESIA /ESMP review)

### H.1. Introduction

32. The review of an ESIA /ESMP is part of the standard procedures that CAF, as GEF implementing Agency, has implemented to ensure the Environmental and Social performance of a project complies with the provisions defined in CAF-GEF Environmental and Social Safeguards.
33. CAF, as GEF implementing Agency, has established a grievance mechanism to allow the project stakeholders to participate, be listened, and be answered. In consistency with this mechanism, this procedure defined the steps and actions to follow whenever the Project Proponent, disagreeing with the result of the ESIA /ESMP review, decides to participate in the ESIA/ESMP review process, to present his point of view related to the results of such process, to be listened and be answered.

### H.2. Purpose

34. The purpose of this document is to define the roles, responsibilities, steps, activities, process and criteria to guide the setting of a Project Proponent's complaint (related to a disagreement with the result of the ESIA /ESMP review), the revision and study of the complaint and the answer to it.

### H.3. Scope

35. This procedure applies to projects where CAF acts as a GEF implementing Agency where a pertinent agreement with the Project Proponent has been established to develop the project activities, included those related to Project Preparation and Design.

### H.4. Procedure

36. Filing the complaint:
- i. Once the Project Team Leader has received from CAF's ESIA /ESMP Review Responsible Officer(s) the reviewed result document of the ESIA /ESMP review process, the Project Team Leader must communicate such result to the Project Proponent responsible of the communication with the Project Leader, within the next 6 working days.  
NOTE i.1: the final result document is a document containing the pertinent former Sections C., D., E., F. and G, as developed by the Review Responsible Officer(s) (C. (ESIA Guidelines), D. (ESMP Guidelines), E. (Overall grade for the ESIA), F. (Overall grade for the ESMP) and G. (remedial options), as developed by the Review Responsible Officer(s)).  
NOTE i.2: The Project Proponent responsible of the communication with the Project Leader must be designated before the start of Project Preparation and Design activities; his designation must also be communicated to the Project Leader and to CAF-GEF Project Coordinator before the same start.

- ii. While communicating to the Project Proponent responsible of the communication with the Project Leader the result of the ESIA /ESMP review process, the Project Team Leader shall send a copy of the document to CAF-GEF Projects Coordinator and to CAF-GEF Safeguards Coordinator.
- iii. Once the Project Proponent responsible of the communication with the Project Leader has been notified by e-mail about the result of the ESIA / ESMP review process, he has 10 working days to set a formal complaint related to the result of the ESIA /ESMP review process. After these 10 working days, CAF officers shall not admit the complaint setting.
- iv. To file the complaint, the Project Proponent responsible of the communication with the Project Leader shall present, via email, a formal document containing a summarized description of his complaint, including his technical considerations and the pertinent support documentation, if applicable. The Project Proponent responsible of the communication with the Project Leader shall copy the same complaint documentation, by email, in the same date to CAF Project Team Leader, CAF-GEF Projects Coordinator, to CAF-GEF Safeguard Coordinator, to CAF-DACC Director, to CAF's Ombudsperson and to DACC's Country Representative Officer, according to the following contacts table:

OFFICE	OMBUDSPERSON	CONTACT INFO
CAF'S HEADSQUARTER	CORPORATE CONTROLLER (CONTRALOR CORPORATIVO)	Av. Luis Roche, Torre CAF, Altamira, Caracas - Venezuela
		Teléfono: (58 212) 2092111
		Fax: (58 212) 2092444
		Correo-e: infocaf@caf.com
COUNTRY OFFICE	DACC'S REPRESENTATIVE OFFICER	CONTACT INFO
ARGENTINA	José Agustín Blanco	Av. Eduardo Madero, No. 900 Av. 12 de Octubre N 24 - 562 y Cordero, Edificio Catalinas Plaza, Piso 15 C1106ACV, Ciudad de Buenos Aires Buenos Aires, Argentina
		Tel: (54 11) 43186400
		Fax: (54 11) 4318 6401
		Email: argentina@caf.com
BOLIVIA	Edgar Salas	Av. Arce, No. 2915, Zona San Jorge, La Paz, Bolivia
		Tel: (591 2) 264-8111
		Fax: (591 2) 243-3304
		Email: bolivia@caf.com
BRASIL	Sintia Yáñez	SAF/Sul, Quadra 2, Lote 4, Bloco D Edificio Vía Esplanada, Sala 404 CEP70070-600, Brasília-DF
		Tel: (55 61) 2191-8600
		Email: brasil@caf.com
COLOMBIA	Fanny Peña	Carrera 9 No. 76 - 49, Piso 7 Edificio ING, Bogotá Bogotá, Colombia
		Tel: (57 1) 744-9444
		Fax: (57 1) 313-2787 / 313-2721
		Email: colombia@caf.com

ECUADOR	Mauricio Velásquez	Av. 12 de Octubre N 24 - 562 y Cordero Edificio World Trade Center, Torre A, Piso 13. Quito, Ecuador
		Tel: (593 2) 398-8400
		Fax: (593 2) 222-2107
		Email: ecuador@caf.com
ESPAÑA	Guillermo Fernández	Plaza Pablo Ruiz Picasso, No. 1, Torre Picasso Planta 24 CP28020, Madrid, España
		Tel: (34 91) 597-3894
		Fax: (34 91) 597-4927
		Email: españa@caf.com
TRINIDAD Y TOBAGO	Iwan Sewberath	
PANAMÁ	Alfredo Paolillo	Bulevard Pacifica, PH Oceanía Business, Plaza Torre 200 Piso 27 Punta Pacífica, CP0832, Ciudad de Panamá
		Tel: (507) 297-5311
		Fax: (507) 297-5301
		Email: panamá@caf.com
PARAGUAY	Fernando Infante	Mariscal López 3794 y Cruz del Chaco Regus, Edificio Citicenter, Piso 4, CP1892, Asunción - Paraguay
		Tel: (595 21) 620-7718
		Fax: (595 21) 6207701
		Email: paraguay@caf.com
PERÚ	René Gomez-García	Av. Enrique Canaval y Moreyra No. 380 Edificio Torre Siglo XXI, Piso 13 San Isidro, Lima 27 - Perú
		Tel: (511) 710-8511
		Fax: (511) 716-9885
		Email: peru@caf.com
URUGUAY	Marco Giussani	Plaza Independencia 710 Torre Ejecutiva, Piso 9, CP11000 Montevideo – Uruguay
		Tel: (598 2) 917-8211
		Fax: (598 2) 917-8201
		Email: uruguay@caf.com
VENEZUELA	Octavio Carrasquilla	Av. Luis Roche, Torre CAF, Altamira, Caracas - Venezuela
		Tel: (58 212) 2092111
		Fax: (58 212) 2092444
		Email: infocaf@caf.com

- i. Once the Project Proponent, via email, has filed the complaint, all, CAF Project Team Leader, CAF-GEF Projects Coordinator, CAF-GEF Safeguard Coordinator, DACC's Country Representative Officer, and CAF-DACC Director, are responsible of verifying that all the members of this group have known about the complaint set, 2 working days at most after the complaint setting. CAF-DACC Director and DACC's Country Representative Officer are responsible of verifying that CAF's Ombudsperson has been updated about the complaint set, 3 working days at most after the complaint setting.
  - ii. CAF-DACC Director is responsible of coordinate with CAF Project Team Leader, CAF-GEF Projects Coordinator, CAF-GEF Safeguard Coordinator and, if applicable, with DACC's Country Representative Officer, the analysis of the set complaint. Based on this analysis CAF-DACC Director shall coordinate with CAF-GEF Projects Coordinator and CAF-GEF Safeguard Coordinator the designation of a responsible person, or team, to make a second review of the EIAS / ESMP (a CAF's DACC officer(s) or an external Consultant(s)). This second review shall apply the same procedure and criteria described in this document and shall produce also an overall grade for the ESIA /ESMP, a concept related to its quality and remedial options, if required, an shall propose answers to each subject and argument presented by the project proponent in his complaint.
  - iii. CAF-DACC Director is responsible of coordinate with CAF-GEF Projects Coordinator, CAF-GEF Safeguard Coordinator the analysis of the result of the second review. CAF-DACC Director is also responsible of coordinate with CAF Project Team Leader the discussion of the conclusions of such analysis.
  - iv. Based on the product and result of the second review and on the analysis and discussion about them, CAF-DACC Director is responsible of prepare an answer to the Project Proponent in relation to its complaint. The answer shall respond to each subject and argument presented by the project proponent in his complaint.
  - v. CAF-DACC Director is responsible of coordinate all the second review activities, and of formally answer and provide feedback to Project Proponent, in relation to his complaint, 10 work days at most after the complaint filing date. The answer shall be sent via email to the Project Proponent responsible of the communication with the Project Leader, with copies to the Project Proponent Manager/Director and to CAF Project Team Leader, CAF-GEF Projects Coordinator, CAF-GEF Safeguard Coordinator, DACC's Country Representative Officer and CAF's Ombudsperson.
38. Project Proponent pronouncement on Second EIAS / ESMP Review:
  - i. Once the Project Proponent responsible of the communication with the Project Leader has been notified by e-mail about the result of the second ESIA / ESMP review process, he has 10 working days to formally withdraw its complaint or to formally insist on it. If after these 10 working days, the Project Proponent responsible of the communication with the Project Leader has not pronounced on the Second EIAS / ESMP Review result, CAF officers shall consider the complaint as withdrawn.
  - ii. To insist on the complaint, the Project Proponent responsible of the communication with the Project Leader shall present, via email, a formal document containing a summarized description of his arguments, commenting the results of the second review, including his technical considerations and the pertinent support documentation, if applicable. The Project Proponent responsible of the communication with the Project Leader shall copy the same complaint documentation, by email, in the same date to CAF Project Team Leader, CAF-GEF Projects Coordinator, to CAF-GEF Safeguard Coordinator, to CAF-DACC Director, to CAF's Ombudsperson and to DACC's Country Representative Officer, according to the contacts table described above.
  - iii. If 10 working days after the Project Proponent responsible of the communication with the Project Leader has been notified by e-mail about the result of the second ESIA / ESMP review process, the project proponent has not pronounced on Second EIAS / ESMP Review result, CAF Project Leader is responsible of communicate to CAF-GEF Projects Coordinator, CAF-GEF Safeguard Coordinator, CAF-DACC Director,

CAF's Ombudsperson and DACC's Country Representative Officer about the expiration of terms.

39. CAF's Ombudsperson in the second instance

- i. If, after receiving CAF-DACC Director's response on the result of the second review of the EIAS / ESMP, has formally insisted on the complaint, within the 10 work days valid period, CAF's Ombudsperson shall lead the new phase of the complaint management.
- ii. With the support of CAF-DACC Director, CAF's Ombudsperson shall designate an external consultant to examine and evaluate the EIAS / ESMP, the results of the first and second reviews of it, as well as the arguments and documents presented by the Project Proponent during the complaint filing and his pronouncement on the second EIAS / ESMP review. The external consultant shall produce a report with three solution scenarios and their respective recommendations.
- iii. CAF's Ombudsperson shall coordinate with CAF-DACC Director, the required technical support to examine and discuss the external consultant report, with the participation of the consultant, if required.
- iv. After examining and discussing the external consultant report, CAF's Ombudsperson shall coordinate with CAF-DACC Director, and with the Project Proponent Representatives (technical and legal), (a) face or virtual meeting(s) in order to discuss and build a solution for the complaint.
- v. CAF's Ombudsperson is responsible of coordinate all the second instance activities in order to held the first or only meeting mentioned in the last paragraph above 10 work days at most after the date where the Project Proponent has formally insisted on his complaint.
- vi. Based on the results of the external consultant report, and the subsequent meetings CAF's Ombudsperson is responsible of prepare and submit, with the technical required support coordinated by CAF-DACC Director, a formal answer to the Project Proponent insistence on the complaint, whether or not there has been an agreement with the Project Proponent.

With the only exception of the agreements written in the minutes of the meeting(s) held in order to discuss and build a solution for the complaint, with the participation of the Project Proponent representatives (technical and legal) and with the coordination of CAF's Ombudsperson, the decisions described in the formal answer of CAF's Ombudsperson to the Project Proponent are final.



**V.1.5. Annex 1.E. Guide on Scoping ESIA Terms of Reference (ToR)**

1. The primary functions of scoping are to identify and focus the environmental and social impact assessment on significant environmental and social issues and to establish a logical roadmap for the assessment process.

*Method*

2. Scoping is undertaken in the ESIA process after a project has been identified as Category A and prior to conducting a full ESIA for the project. A scoping exercise will include identification of mandatory national and local environmental and social scoping requirements if these exist and identification of necessary steps to bring the process in line with CAF policies and procedures.

3. This could include:

- (a) Providing an initial project description and basic site environmental and social information (primarily sourced from project feasibility reports, site inspections, and secondary data);
- (b) Identification and review of national / local project planning requirements, including preliminary discussions with relevant authorities necessary for approval on assessment requirements, process and important issues; initial identification of the major environmental and social impacts;
- (c) Disclosure of project information to interested parties; informal discussions with stakeholders including local communities and NGOs on important issues;
- (d) Convening a scoping meeting/s with interested parties to introduce the project, identify the range of issues and establish the focal issues; and drafting the terms of reference for the ESIA.

*Identification of issues*

4. Initial identification of issues involves consideration of the initial design and operational approach of the project, and the typical environmental and social impacts likely to be caused by this type of project to provide a reasonable picture of the likely impacts. Assessing the relative significance of the issues is often based on public concern and the opinion of specialists with previous experience with the project type, project area and similar sites. However, issues are always project-specific and hence need to be identified for each project.

5. Consultations during scoping often establish a long list of environmental and social issues based on the range of stakeholder interests. It will be necessary to determine which of these issues are significant.

6. Identifying the key issues is ideally done as the final task of a scoping meeting or overall issue identification among key stakeholders. This ensures that the proponent ESIA Team understand where their concerns fit relative to others, with consensus ideally being reached on the assessment's focus. Issues may change in importance as additional information is obtained during assessment preparation.



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*Level of detail and comprehensiveness*

7. The level of detail and comprehensiveness of an environmental and social assessment should be commensurate with the project complexity and the significance of the potential impacts and risks. Projects with a broad range of potential significant impacts and risks should conduct a broader assessment of direct, indirect, cumulative and induced impacts as appropriate.

*Terms of reference*

8. The output of scoping is usually a ToR for the ESIA, tailored to the project. It is encouraged that the ToR for each environmental specialist under project preparatory technical assistance be prepared based on the output of scoping. The ToR are an indispensable plan for category A projects because they establishes the scope of the environmental assessment and a clear plan of action to prepare it.

9. The ToR usually provides: (i) a summary description of the main project features (with a location map and project layout diagram); (ii) a list of applicable national, local and CAF/GEF ESIA requirements; (iii) a summary discussions of significant issues (environmental and social); (iv) a list of feasible project alternatives that will be considered; and (v) an outline of the main impact assessment studies to be undertaken; and a budget and program for the environmental assessment.

10. The ToR will also include detailed terms of reference for each of the main ESIA studies if adequate information is available, or these may be developed later once additional information is available. Importantly, the ToR has to be flexible as further information is obtained during assessment preparation and new issues can emerge.

**V.1.6. Annex 1.F. ESIA Report content Outline.**

11. The general content of an Environmental and Social Impact Assessment is spelled out below.
12. *Executive Summary*: Critical facts, significant findings, and recommended actions.
13. *Legal and Institutional Framework*: National and local legal and institutional framework. Project-relevant international environmental agreements (country – party).
14. *Description of the Project's EIA Process*: Terms of Reference of the EIA Study, EIA Team, EIA Study Schedule, EIA Study Area, EIA Methodology.
15. Description of the Project: About the proposed project: Rationale, its major components; and its geographic, ecological, social, and temporal context, including any associated facility required by and for the project (for example, access roads, power plants, water supply, quarries and borrow pits, and waste disposal).
16. *Project Development Plan*: Process (Technology Options, Project Components, Process Description), Raw Materials and Products. Description of Project Phases (Activities / Environmental Aspects, Associated Wastes and Built-in Pollution Control Measures) – Pre-construction / Pre-operational Phase, Construction / Development Phase, Operational Phase, Abandonment Phase. Manpower Requirements, Project Duration and Schedule, Resource Utilization.
17. *Description of the Environment (Baseline Data)*: Relevant physical, biological, and socioeconomic conditions within the study area, In particular, environment-related aspects likely to be significantly affected by the proposed development, including, in particular, population, fauna, flora, soil, water, air, climatic factors, material assets, including the architectural and archaeological heritage, landscape and the inter-relationship between factors above. Current and proposed development activities within the project's area of influence, including those not directly connected to the project.
18. *Anticipated Environmental Impacts*: Likely significant effects of project development on the environment, which shall cover direct effects and any indirect, secondary, cumulative, short-, medium- and long-term, permanent and temporary, positive and negative effects of the project development, resulting from: (i) the existence of the project development; (ii) the use of natural resources; (iii) the emission of pollutants, the occurrence of nuisances and of waste disposal; and; (iv) forecasting methods used to assess environmental impacts
19. Assessment includes project's likely positive and negative direct and indirect impacts to physical, biological, socioeconomic (including occupational health and safety, community health and safety, vulnerable groups and gender issues, and impacts on livelihoods through environmental media, and physical cultural resources in the project's area of influence, in quantitative terms to the extent possible; assessment examines global, trans-boundary, and cumulative impacts as appropriate.

20. *Analysis of Alternatives:* An outline of the main alternatives (project site, technology, design, and operation - including the no-project alternative) being surveyed, and an indication of the main reasons for this choice, taking into account environmental effects. Alternatives suitability under local conditions; and their institutional, training, and monitoring requirements. Justification of recommended emission levels and approaches to pollution prevention and abatement. (See Annex D. Generic Terms of Reference for Analysis of Alternatives).

21. *Information Disclosure, Consultation, and Participation:* (i) Process being undertaken during project design and preparation to engaging stakeholders, including information disclosure and consultation with project-affected groups and other stakeholders; (ii) summary of comments and concerns received from affected people and other stakeholders and how these comments have been addressed in project design and mitigation measures, with special attention being paid to the needs and concerns of vulnerable groups, including women, the poor, and Indigenous Peoples; and (iii) description of designed information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for carrying out consultation with affected people and facilitating their participation during project implementation.

22. *Grievance Mechanism:* Grievance framework (informal and formal channels), the time frame and mechanisms for resolving complaints about the project's environmental performance.

23. *Environmental Management Plan:* Description of the measures envisaged to prevent, reduce and, where possible, offset any significant adverse effects on the environment. It includes:

- (a) Mitigation: (i) summary of anticipated significant adverse environmental impacts and risks; (ii) description of mitigation measures including technical details (type of impact, designs, equipment descriptions, operating procedures). Links to any other mitigation plans (involuntary resettlement, Indigenous Peoples, emergency response) shall be explicit.
- (b) Monitoring: (i) monitoring measures, parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits and definition of thresholds that shall signal the need for corrective actions; (ii) monitoring reporting and documentation procedures; (iii) implementation schedule responsibilities and requirements; (iv) budget; and (v) performance indicators.

24. The project proponent's decision to proceed with a project and the Bank's decision to support the former are affirmed in part on the expectation that the ESMP shall be effectively executed. Consequently, the Bank expects the plan to be specific in its description of the individual mitigation and monitoring measures, and its assignment of institutional responsibilities, and it should be integrated into the project's overall planning, design, budget, and implementation. Such integration is achieved by setting forth the ESMP within the project, so that the plan shall receive funding and supervision along with the other components.

25. *Conclusion, Recommendation and Particular Comments:* Assessment conclusions and recommendations and comments on difficulties encountered while compiling the required information.

26. *Complementary information:* Maps, drawings, diagrams and plans. References: written materials both published and unpublished, used in study preparation. Record of interagency and consultation meetings, including consultations for obtaining the informed views of the affected people and local nongovernmental organizations (NGOs). The record specifies any means other than consultations (e.g., surveys) that were used to obtain the views of affected groups and local NGOs. Tables presenting the relevant data referred to or summarized in the main text. List of associated reports (e.g., resettlement plan or indigenous people development plan).

**V.1.7. Annex 1.G. Generic Terms of Reference for Environmental and Social Management Plans (ESMP).**

27. Environmental and Social Management Plans are essential elements of ESA reports for Category A projects; for all Category B projects, the ESA results in a management plan only. To prepare an ESMP, the proponent and its ESA design team: (i) identify the set of responses to potentially adverse impacts; (ii) determine requirements for ensuring that those responses are made effectively and in a timely manner; and (iii) describe the means to meeting those requirements. The following describes the contents of an Environmental and Social Management Plan.

28. *Background:* (i) Introduction; (ii) Project description; (iii) ESMP context; (iv) ESMP objectives; (v) Environmental Policy.

29. *Environmental Management:* (i) environmental management structure and responsibility (considering operation, supervision, enforcement, monitoring of implementation, remedial action, financing, reporting, and staff training). Description of the existing and projected capacity and of the organizational changes being projected to guarantee effective implementation of the ESMP; (ii) approval and licensing requirements; (iii) ESMP Reporting (legal and organizational requirements and commitments); (iv) environmental training: description and schedule, including technical assistance programs, if applicable; (v) environmental Management resources: existing and projected equipment and supplies; (vi) projected ESMP budget; (vii) emergency contacts and response.

30. *Implementation:* Since the main function of the ESMP is to establish practical and cost-effective measures to reduce significant adverse environmental impacts to acceptable levels, the ESMP report includes:

- (a) Risk assessment: summarized identification of all significant adverse environmental impacts, including those related to Indigenous Peoples and/or involuntary resettlement;
- (b) Mitigation measures: Description of each mitigation measure linking the project to the corresponding impact and specifies any required conditions. As appropriate, description includes technical information, such as designs, equipment descriptions, and operating procedures. For measures involving significant environmental impacts, the mitigation description includes the estimation of the impact(s);
- (c) Other related project-mitigation activities and a summarized description of any identified linkage with any other project mitigation plans (involuntary resettlement, Indigenous Peoples, etc.);
- (d) Complementary documentation like Environmental Management drawings and/or maps; and
- (e) ESMP schedules.

31. *Monitoring and Review:* (i) description of monitoring objectives; (ii) specification and description of every type of monitoring measure being related to the corresponding impact(s) being assessed in the EA report, and related to the mitigation measures as described in the EMP. The description of each monitoring measure includes technical information like the parameters to be measured, methods to be used, sampling locations,

frequency of measurements, detection limits (where appropriate), and definition of thresholds that shall signal the need for corrective actions; (iii) Monitoring and reporting procedures to ensure early detection of conditions that necessitate particular mitigation measures, and furnishing information on the progress and results of mitigation; (iv) Environmental Auditing; (v) Corrective action plan; (vi) ESMP review.

32. *Integration of ESMP with Project.* The proponent's decision to proceed with a project and the Bank's decision to support it are partly based on the expectation that the ESMP shall be effectively executed. Consequently, the Bank expects the plan to be specific in its description of the individual mitigation and monitoring measures and its assignment of institutional responsibilities, and it should be integrated into the project's overall planning, design, budget, and implementation. Such integration is achieved by establishing the ESMP within the project so that the plan shall receive funding and supervision together with all other components.

**V.1.8. Annex 1.H. Generic Terms of Reference for Alternative Analysis**

1. The term “Alternatives”, in relation to a proposed activity/project, refers to different means to meeting general purposes and requirements of the activity/project, which may include options or choices to: (i) the property on which or location where the activity/project is intended to be undertaken; (ii) the type of activity to be undertaken; (iii) the design or layout of the activity/project; (iv) the technology to be used in the activity/project; (v) the operational aspects of the activity/project.
2. The Analysis of alternatives is an integral part to the Environmental Assessment process of a Project. Foundation: The Environmental Assessment approach requires going through the investigation, assessment and communication of the potential impact of activities, which should ensure, for the proposed activity/project: (i) investigation of the environment likely to be significantly affected by the proposed activity/project and alternatives thereto; (ii) investigation of the potential impact of the activity/project and its alternatives on the environment, and assessment of the significance of that potential impact; and (iii) investigation of mitigation measures to keep adverse impacts to a minimum, as well as the option not to implement the activity/project.
3. Alternatives to take into consideration include the “no go”, “no action” or “no project” alternative.
4. The assessment of alternatives should at all times include its consideration as a baseline against which all other alternatives should be measured. A suggestion is made to consider at least two alternatives against the no-go option.
5. The Analysis of alternatives shall attach special consideration to options to avoid or minimize: (i) significant degradation of natural habitats; (ii) involuntary resettlement; (iii) adverse effects on Indigenous Peoples.
6. In addition to the kinds of alternatives being listed above in 1. (“Alternatives” definition), the Analysis of alternatives may include some other options as described in examples in table below:

Type of alternative explanation	Example
Location alternatives	Location alternatives refer to both, alternative properties and to alternative sites on the same property.
Activity alternatives	Incineration of waste rather than disposal at a landfill site/ Provision of public transport rather than increasing roads capacity.
Design or layout alternatives	Design: e.g. Different architectural and or engineering designs Site Layout: Consideration of different spatial configurations of an activity on a particular site (e.g. Siting of a noisy plant away from a residential area).
Technology to be used in the activity/Process alternatives	Consideration of such alternatives to include the option of achieving the same goal by using a different method or process (e.g. 1000 megawatt of energy could be generated using a coal-fired power station, or wind turbines).
Demand alternatives	These arise when a demand for a certain product or service can be met by some other alternative means (e.g. The demand for electricity could be met by supplying more energy/using energy more efficiently, by managing demand).
Input alternatives	Input alternatives are relevant to applications that may use different raw materials or energy sources in their process (e.g. Industry may consider using either high sulfide coal or natural gas as a fuel source).
Routing alternatives	Consideration of alternative routes generally applies to linear developments such as power lines, transport and pipeline routes.
Scale alternatives	Activities that can be broken down into smaller units and can be undertaken on different scales (e.g. for a housing development there could be the option 10, 15 or 20 housing units. Each of these alternatives may have different impacts).

7. Key stakeholders may include: Indigenous Peoples, community organizations, relevant government institutions, agencies and non-governmental organizations (NGOs).

8. General capital considerations while planning and implementing the Analysis of Alternatives may include:

- (f) Considering the strategic planning and environmental context when the project development is being planned (the alternatives issue is made complicated by an inappropriate consideration of alternatives);
- (g) Considering feasible and reasonable alternatives (not only the preferred option);



- (h) Affording opportunities for project- affected groups and key stakeholders, to provide input into the identification and evaluation of alternatives;
- (i) Considering providing/searching for assistance in the identification of alternatives, particularly where local knowledge is required;
- (j) Disclosing information relevant to the identification and evaluation of alternatives, including final and official results, to project-affected groups and key stakeholders; attaching particular consideration to the information related to processes in which project-affected groups and key stakeholders, may/need/should participate;
- (k) Documenting the process of identification and selection of alternatives (providing the criteria to be used to select certain alternatives and how the level of investigation applied to each alternative was established);
- (l) Providing a comprehensive consideration of the impacts of each one of the alternatives;
- (m) Documenting the evaluation of alternatives process; and
- (n) Considering appropriate measures where project involves Indigenous Peoples, involuntary resettlement, natural habitats, pest management, physical and cultural resources, and dams. For appropriate measures, review specific CAF Safeguards.

9. Other considerations while identifying alternative strategies: (i) Evaluating the convenience to identifying alternative strategies generically, without reference to project locations; (ii) Identification of alternative strategies may relate to the entire project or to specific components. At this stage, key stakeholders should be consulted on whether the range of strategies being considered is complete; (iii) Once defined, a range of strategies, resources/inputs required should be determined for each alternative. All phases of the project should be considered; (iv) screening of alternative strategies helps limit efforts and costs associated with data collection and processing.

10. Screening should be based on factors such as ability of the strategy to meet the project objectives, availability of resource requirements, suitability in a particular situation, ability to minimize or avoid resettlement and the broad environmental, social and economic acceptability. The lead-times associated with bringing projects on-line are also important in determining the suitability of alternatives. The screening process should define a realistic range of alternatives for further consideration. At this stage, a consultation exercise involving key stakeholders could take place in order to seek consensus on the short-listed strategies.

11. Other considerations while identifying alternative locations: (i) Having identified alternative strategies, continue to identify alternative locations; (ii) Consider identifying alternative locations for the entire project or selected components of the project. Although some elements of the project may be fixed, other project components may be the object of alternative site analysis; (iii) Identification of suitable alternative locations should take into consideration the resource requirements identified for the strategies; (iv) Review for applicability of alternative strategies considerations.

12. Also, bear in mind broad environmental planning and economic considerations, with a particular emphasis on the opportunity to avoid or minimize resettlement. Reasons for rejection of alternative locations could include conflict with existing planning policies or settlements, encroachment into conservation areas or habitat of endangered species, disturbance of archaeologically important sites or other significant risk/impact associated to physical cultural resources, and risks to groundwater. Significant social concerns, such as involuntary resettlement, often form the basis for rejection of locations. During the initial screening of alternative locations, the concerns of the wider public may be represented by government agencies, institutions, community organizations, or NGOs.

13. Other considerations while evaluating alternative:

- (a) Once project proposals (or project element proposals) have been identified, continue to evaluate each alternative. Environmental, social and health impacts of the shortlisted alternatives should be determined in sufficient detail to facilitate their comparative assessment;
- (b) Institutional issues should be addressed concurrently, and factored into the evaluation;
- (c) Where possible, external environmental costs which have not previously been accounted for should be evaluated and internalized within the overall economic analyses. Integration of externalities can either be achieved by direct monetary valuation or by the use of comparative assessment techniques as described below. The latter can be used to account for environmental, health or social impacts that do not readily lend themselves to monetary valuation, such as loss of biodiversity;
- (d) In many cases, the evaluation can be carried out with little fieldwork other than site reconnaissance and review of existing information sources, such as documentation on performance of technologies or methods, aerial photographs and satellite imagery, geological and soil surveys, and hydrologic records. However, the ESA team should obtain missing information that ESA may consider shall be critical in discriminating among alternatives;
- (e) During evaluation, the process of public consultation should go ahead to ensure that decision-makers and stakeholders (including those at the individual sites) have confidence in the process. As a first step, stakeholders should be identified based on a review of the institutions or agencies that may become involved in implementation of project activities, NGO and community groups close to the short-listed sites. Consultation should entail clearly presenting alternatives to all parties, in the local language(s), in different kinds of meetings (fora, or another) the dynamics of which may encourage discussion;
- (f) The final stage is to compare alternatives based on the output from the evaluation. There are a variety of tools which may be used for this purpose. In all cases, the basis for selection of the preferred alternative(s) should be transparently and clearly described.

14. Other considerations related to No Project alternative: (i) The “no-action” or “no-project” alternative involves projecting what is likely to occur if proposed projects are not undertaken; (ii) In evaluating the no-action alternative, it is important to take into account

all probable public and private actions which are likely to occur in the absence of the project; (iii) Conducting a truly objective evaluation of the no-action alternative requires additional care, since various groups of interest have historically used it to support positions for and against projects. A balanced evaluation can provide objective guidance to support a informed decision-making.

15. Other considerations related to data requirements: (i) An analysis of alternatives is dependent upon the availability of sufficient data; (ii) The data base should be designed so that data describe the characteristics of the variables to be compared and allow data to be transformed and aggregated satisfactorily at the different stages of the analysis process; (iii) Ideally, data should be as homogenous as possible-collected in a methodologically consistent manner, representative of the time of project planning and implementation, and collected to comparable standards of accuracy; (iv) In general, the investment in collecting and processing data should be relative to the benefit of their application. Existing data sources should be used wherever possible, particularly in the earlier stages of analysis, subject to their efficacy.

16. Other considerations related to Public involvement: (i) Giving opportunities for stakeholders to express their views during alternatives analysis can be beneficial in two ways-to obtain information and to build consensus. First, some stakeholders shall be sources of valuable local knowledge, others may be experts, and stakeholders in general are the main source of information on acceptability of certain alternatives. Second, participation throughout identification of the alternatives that shall be considered, as well as during their evaluation and comparison, helps build consensus for the preferred alternative. Consensus-building is particularly important in operations like integrated conservation and development projects that depend on stakeholders for successful implementation; (ii) In a straightforward, non-controversial project, the general public consultation process for the ESIA may be sufficient. When a project is potentially controversial, however, it is advisable to focus additional consultation efforts on the analysis of alternatives, primarily for consensus-building.

17. Other considerations related to comparative assessment of alternatives: (i) The objective of comparative analysis is to sharply define the merits and demerits of realistic alternatives, thereby providing decision-makers and the general public with a clear basis for choosing between options is fundamental; (iii) The key challenge in comparative assessment is to objectively show distinctions, and as simply as possible. The adoption of unnecessarily complicated techniques can confuse decision-makers and exclude the general public from effective participation.

18. As a general rule, the following principles should be adopted in determining an appropriate comparative assessment methodology:

- (a) In every case, a table or matrix should be prepared summarizing qualitative or quantitative information for each option with decision criteria (economic, technical, environmental and social) on one axis and options on the other. In all cases involving involuntary resettlement, summary information on involuntary resettlement is summarized as a stand-alone criterion in the table or matrix;

- (b) In many cases, particularly where only a few alternatives have been generated, a preferred alternative shall become apparent by inspecting the matrix. Where the environmental or social impacts are broadly similar for each option, technical or economic factors should determine the preferred alternative;
- (c) Where a larger number of realistic alternatives have been generated or where options have varying levels of impact, it may not be possible to identify a preferred alternative from the matrix. The matrix should still be prepared, since it enhances transparency of the process and provides the information that other reviewers of the analysis shall need if they wish to check its conclusions or apply their own methods to compare alternatives. However, a more systematic approach may be needed, involving the use of multi-attribute decision-making techniques. More complex techniques and associated sensitivity analyses should only be used if straightforward methods fail to provide a clear basis for decision making;
- (d) Systematic approaches to comparative assessment of alternatives involve the application of scaling, rating or ranking checklists. These are used in conjunction with the results derived from the comparative evaluation of selected alternatives. Importance weighting of decision criteria may also be used, either in isolation from or in combination with scaling, rating or ranking methods;
- (e) Ranking entails ordering alternatives from best to worst in terms of potential impacts on decision criteria. Rating refers to the use of a pre-defined rating scheme to rate the significance of decision criteria for each option. Scaling involves the assignment of numeric or algebraic scales to the impact of each alternative on each decision criterion. Importance weighting involves assigning a weighting factor to each decision criterion relative to the other decision criteria. Explanations on the various techniques, and their limitations, may be obtained from the body of literature on EA methods.

## **VI. NATURAL HABITATS AND FORESTS**

1. Bearing in mind that conservation of natural habitats is essential to sustainable development in Latin America and the Caribbean, CAF fosters project funding and execution activities as set out below: (i) the protection, maintenance and restoration of natural habitats (see definition in Annex A) and the roles they play; (ii) the sustainable harnessing of natural habitats and forests to reduce poverty and protect the environmental values and services of these resources, at local, regional and global level; (iii) the application of a precautionary principle in natural resources management.

### **VI.1. Guidelines**

2. These guidelines and procedures shall be applied to all CAF/GEF-financed project in CAF's member countries and will supersede the national environment and social assessment policies in case that the later do not meet the requirements of them

3. In project design and execution, particular emphasis shall be assigned to components being designed to include in national and regional development policy, the conservation and sustainable use of natural habitats and the maintenance of the ecological functions they play; as well as those components fostering rehabilitation of degraded natural habitats. The projects will apply the precautionary principle. This principle states that the lack of information, scientific knowledge or certainty about the impacts of projects on the condition of natural habitats fails to constitute a reason to undertake the project. Moreover, the Precautionary Principle requires that the responsibility of justifying and providing the information and scientific knowledge needed to make an informed decision about the convenience of a project falls on the side of the proponent. In other words, in situations where information and knowledge about the impacts of a project on natural habitats is not complete or conclusive, the project shall not be implemented.

4. In the case of forest ecosystems, guidelines as set out below apply to projects that: (i) cause or may cause impacts on health, and forest quality and natural habitats in general (rivers, lakes, aquifers, paramo, ocean/marine ecosystems, mangroves, wetlands, biodiversity, among others), and at the same time, may affect the rights and welfare of people who are dependent upon or interact with forests; (ii) generate changes in management, protection, or utilization of natural forests or planted forests, whether they are publicly, privately or community owned.

5. In projects including restoration and reforestation components, environmental restoration activities shall privilege the maintenance and promotion of ecosystems functionality.

6. The establishment and sustainable management of planted forests shall be ecologically sound, socially beneficial and economically viable, to help meet the growing demand for forest goods and services in the region, at the commercial and community levels.

7. Neither funding nor any other type of financial backing shall be granted to planted

forests and any other types of projects involving a significant degree of conversion or degradation of critical habitats, or critical forest areas.

8. In forest plantation projects, measures shall be adopted to prevent the introduction of invasive species having an adverse effect on biodiversity or threatening native ecosystems and natural habitats.

9. If a project involves the significant conversion or degradation of critical natural forests or natural habitats, or non-critical natural forest and natural habitats, it must be needed to analyze other project sites alternatives with minor negative impacts, according to Annex B. If the analysis of the project determines that no viable alternatives for the project location are available, and global benefits are found to be substantially higher than the project's environmental costs, funds shall be allocated to the project provided that appropriate mitigation measures are in place and that the Project Proponent demonstrates to have the capacity to properly undertake these measures. These mitigation measures, as the case may be, envisage minimizing habitat loss (for example, conservation of strategic natural habitats and post-harnessing restoration), together with the establishment and maintenance of an ecologically protected similar area. Some other mitigation measures could be accepted insofar they embody an acceptable technical rationale.

10. The project siting will be preferably on already intervened land. Projects located on lands which have been deliberately intervened to make them eligible for project development, shall not be funded.

11. Project development contravening: (i) the environmental legal framework in the country; and (ii) international environment-concerned conventions and agreements, shall not be eligible for funding or support.

12. Commercial forestry activities may be funded when, on the basis of a suitable environmental assessment, ecosystem management plan (see Annex C) or other relevant information, a determination is being made that areas being affected by such activities are neither critical forests, nor related critical natural habitats.

13. Industrial-scale commercial forestry activities projects which have been certified by an independent forest certification system which has been deemed as acceptable, and duly complies with responsible forest management (see Annex D) and harnessing, shall be eligible for funding and/or execution; in case the independent forest certification system decides that the project is still to comply with requirements, a phased action plan shall be implemented within an acceptable deadline in order to securing the forest certification according to the responsible forest management and harnessing standards as stated herein (see Annex E).

14. Ecosystem and Forestry Management Plans will have at least the contents described in Annexes C and E. The Ecosystem and Forestry Management Plans should be fully disclosed prior to project appraisal.

15. Forest certifications systems are deemed to be acceptable when: (i) they comply with requirements as set forth in Annex F; (ii) they are subject to an independent third-party evaluation; and (iii) their standards have been set forth with a significant involvement of local inhabitants and communities, Indigenous Peoples; NGO representing the interests of consumers, producers and those of conservation sectors; as well as other civil society stakeholders. The certification system's decision-making procedures should be fair, transparent, independent, and designed to avoid conflicts of interest.

16. Financing may be supplied to sustainable forest harnessing projects being undertaken by small landowners, local communities involved in a community forest management regime, or by those entities together, pursuant to agreements, if such projects; (i) abide by forest management standards, being set forth with a significant participation of project-affected local communities, in a manner consistent with the principles and criteria for responsible forest management pursuant to Annex F and Annex E; or (ii) projects adopt the implementation of a phased action plan, with a deadline for compliance of those standards. This action plan should be drawn up with a meaningful participation of project-affected local communities, and other key stakeholders.

17. For sustainable forestry projects being undertaken by small landowners or local communities involved in a community forest management regime, the Project Proponent shall be in charge of the monitoring activity, with a meaningful participation of project-affected local communities and other key stakeholders.

18. For a project likely having a potential adverse impact on natural habitats to be funded or executed, the ability of the Project Proponent to carry out appropriate conservation and abatement measures shall be borne in mind according to an environmental management plan (Annex C).

19. Whenever deficiencies may become apparent in the technical capacities of national and local entities responsible for planning and management of natural habitats and forests, the project shall include components as required to strengthening up the institutional capacity of the former. Abatement measures as spelled out for the project may be used to enhance national and local institutions capacity.

20. Environmental experts as deemed to be appropriate shall be included in the preparation, initial evaluation and supervision of projects involving forests and natural habitats, so as to ensuring a proper project formulation and execution.

21. Consultations with project-affected groups shall; (i) be held as soon as possible within the scope of the Environmental and Social Assessment process (ESA); (ii) ensure informed participation; (iii) effectively incorporate the views of project-affected groups and key stakeholders; and (iv) keeping the consultation scheme along the project execution



phase. Particular attention shall be paid to vulnerable groups, such as women, children and the elderly.

22. Throughout the ESA process, as well as during the project construction and operation phases, a proper information disclosure process of draft and final plan(s) and other instruments and its updates shall be performed, according to the specific requirements of each safeguard guidelines and its procedures. Such a process shall bear in mind that the information being disclosed: (i) is disclosed in a timely manner, before project appraisal, in an accessible place and/or media, and in a form and language(s) understandable to project affected groups, CSO and other key stakeholders; and (ii) is relevant, and on the basis of that information, a comprehensive vision of the project itself and its environmental and social implications are in place.

23. The potential impact of projects over forests and natural habitats, and the rights of access to and use of resources for the welfare of the communities (see Annex H), shall be evaluated as a part to the Environmental and Social Assessment (ESA).

24. Along forest management planning and design processes, the Project Proponent shall provide relevant information on the forestry sector and dealing with: the overall policy framework; national legislation; institutional capacity; forest-relevant social, economic and environmental aspects (see Annex E). This information shall include data on national forest programs, or any other relevant initiatives being fostered by the country.

25. On the basis of this information and the project's ESA, and as appropriate, the Project Proponent shall incorporate into the project measures to strengthen up the fiscal, legal and institutional framework, so as to allow for project-related economic, environmental and social objectives to be reached. Among others, these measures should be in line with government, private sector and local population's own roles and legal rights. Regarding management, and whenever they are deemed to be the best instrument to harness forest potential to reducing poverty in a sustainable manner, preference should be attached by the project to small-scale and community outreach management approaches.

26. When a project entailing harnessing of forest resources or the provision of environmental resources is being designed, due consideration shall be attached to opportunities to developing new biotrade markets and products, as well as goods and environmental services.

## **VI.2. Procedures**

27. During the project preparation phase, the eventual occurrence of natural habitats and forest ecosystems in the project's area of influence shall be identified by the Project Team. If so, the likely direct or indirect impacts of the project over those habits and ecosystems as mentioned above shall also be identified. Moreover, the degree of threat for potentially impacted natural habitats shall also be identified, which takes into



consideration the identification of natural habitats sites, the ecological functions they perform, priorities for conservation, and the most important threats to the health of ecosystems.

28. Each and every project which, directly or indirectly, may have an impact on natural habitats or forest shall be classified under Categories A or B, as appropriate.

29. If over the Preliminary Environmental and Social Impact Screening the likelihood that the project may involve a conversion or a significant degradation of natural habitats or forest ecosystem, whether or not they are of critical importance, becomes apparent, the project shall be classified under Category A.

30. Regarding projects having an impact on natural habitats or forest ecosystems, an independent experts-revised inventory of critical forest areas, which is based on a spatially, ecologically, socially and culturally-appropriated scale shall be included in the Environmental and Social Assessment (ESA) process. These experts shall further verify that due priority shall be assigned by the project to sustainable forestry practices (or ecosystem use) by communities, as a poverty-reduction measure.

31. Regarding projects having an impact on natural habitats or forest ecosystems, specific measures shall be incorporated into the Environmental and Social Impact Assessment and Environmental and Social Management Plan (ESIA/ESMP), as applicable, to preventing, abating and/or compensating for impacts over those ecosystems, together with the opinion of project-affected groups and key stakeholders, where appropriate.

32. Project's own activities involving compensation for and /or preservation of natural habitats and forest ecosystem shall be properly funded and shall be included in the project's budget and execution schedules.

33. The implementation of forest projects, according to their typology, shall abide by guidelines as set forth by the International Tropical Timber Organization (ITTO) and the Food and Agriculture Organization (FAO), referred to in Annex G.

### **VI.3. Annexes**

#### **VI.3.1. Annex A. Glossary of Terms**

34. *Basic Forest Products.* Timber and non-timber products being produced on the basis of the plants and trees thriving in forests or in other wooded lands.

35. *Biodiversity.* This term refers to the wide variety of life on Earth, and the natural patterns making it, and resulting from billions of years of evolution according to natural processes, as well as from the growing pressure of human activity. Biodiversity also includes the diversity of ecosystems and genetic differences within each species allowing

for the combination of multifold forms of life, the mutual interactions of which with the rest of the environment are the basis of life on Earth.

36. *Commercial Forest.* Any natural or planted tropical forest the object of which is timber production. The term is used as a synonymous for “timber producing rainforest.”

37. *Conversion.* A man-led land use change to transforming the forest into a non-forest area.

38. *Critical Forest Areas.* Natural forest areas deemed as critical natural habitats, which in turn may comprise: (a) Protected areas; (b) Forest areas being deemed by local communities and/or ancestral peoples as sacred areas, or areas of religious interest; (c) Areas including known conditions for biodiversity conservation, and forests of critical importance for rare, vulnerable, migratory or endangered species, being recorded in IUCN red listings of threatened animal and/or plant species, and in the Birdlife Listing of Important for Conservation (IBAS).

39. *Critical Natural Areas.* These are existing protected areas and places whose official declaration as protected areas has been proposed by governments (pursuant to the criteria and classification of the International Union for Conservation of Nature (IUCN), areas initially protected by local traditional communities on account of their spiritual or religious worth, and places where vital conditions for the viability of these protected areas are in place (as determined pursuant to the environmental assessment process). Also, places which have been singled out on account of the high worth for biodiversity preservation, and places which are crucial to rare, vulnerable, migratory or threatened species. Listings are based on systematic assessments of factors such as species richness, endemism, rarity and vulnerability of integrating species, their representatives, and the integrity of ecosystem processes.

40. *Degraded Forest.* This is a forest providing a limited range of products and services in a given site and sustaining only a restricted biological diversity. The degraded forest has lost its structure, function, species composition and/or productivity usually associated with the type of natural forest which is expected to thrive on such a place.

41. *Degraded Habitat.* A natural habitat which has been transformed into a habitat incapable of keeping its own endemic species. Plants and animals which used to thrive in it are either destroyed or forced to migrate, with the resulting reduction of biodiversity. This term is deemed to be synonymous to an intervened habitat.

42. *Direct use value.* Also known as extractive, consumptive, or structural use value, derives from goods which can be extracted, consumed, or directly enjoyed. In the context of a forest, for example, extractive use value would be derived from timber, from harvest of minor forest products such as fruit, herbs, or mushrooms, and from hunting and fishing. In addition to these directly consumed goods, direct use values can also be non-consumptive. For example, people who enjoy hiking or camping in the same forest receive a direct use value, but do not actually “consume” any of the forest resource. Similarly, in a coral reef direct use values can include the harvesting of shells and

catching of fish, or the non-consumptive use of the reef by scuba divers (World Bank, 1998).

43. *Ecological Functions.* All aspects in the structure and functioning of ecosystems capable of generating services directly or indirectly satisfying human needs.

44. *Ecological Impact.* The effect being made by human activity on an ecosystem. This concept could be extended to the impacts of a catastrophic natural event. Technically, it refers to the alteration of the environmental baseline.

45. *Ecosystem.* A dynamic complex of plants, animals and micro-organisms and their abiotic habitat, which interacts as a functional unit.

46. *FAO.* United Nations Food and Agricultural Organization. One of its main objectives is the sustainable management and use of natural resources, including land, water, air, the climate, and genetic resources, to the benefit of present and future generations.

47. *Forest Certification.* A voluntary process on the basis of which a qualified and independent third party assesses whether the planning and implementation of in-situ forestry operations are conducted in accordance with a set of pre-established criteria and standards, in order to ensure that forest management is ecologically sustainable and socially acceptable. Forestry activities abiding by standard criteria in place are certified, and this certification may be used to demonstrate the legality and sustainability of timber products.

48. *Forest Degradation.* The term refers to the reduction in a forest's capacity to producing goods and services.

49. *Forest Ecosystem.* A native or natural ecosystem, intervened or not, and regenerated by natural succession or some other forestry techniques, thriving on a 0,5 hectares or larger area which is characterized by the occurrence of trees of different ages, species and size, with one or more canopies covering more than 10% of that area.

50. *Forest Restoration.* This is the main management strategy for degraded primary forests.

51. *Forest.* Land over 0,5 hectares with trees higher than 5 m in height and a more than 10% canopy cover, or trees able to reach those thresholds in situ. Forests do not include land mostly being used as agricultural or urban land. (FAO, 2007)

52. *Habitat.* The setting where a population or an individual lives; it includes not only the place in which a species is thriving, but also the distinct characteristics of the place (eg. Climate and the availability of adequate food and shelter) making it particularly suitable to the needs of the life cycle of the species concerned. (British Columbia Ministry of Forests and Pastures, 2008).

53. *Indirect use value.* Also known as non-extractive use value or functional value, derives from the services the environment provides. For example, wetlands often filter water, improving water quality for downstream users, and national parks provide opportunities for recreation. These services have value but do not require any good to be harvested, although they may require someone's physical presence. Measuring indirect use value is often considerably more difficult than measuring direct use value. The "quantities" of the service being provided are often hard to measure. Moreover, many of these services often do not enter markets at all, so that their "price" is also extremely difficult to establish. The visual aesthetic benefits provided by a landscape, for example, are non-rival in consumption, meaning that they can be enjoyed by many people without detracting from the enjoyment of others (World Bank, 1998).

54. *Introduced Species.* A species, subspecies or lower taxon present outside its natural area (currently or in the past), and possibility of dispersion (i.e. outside of the area it naturally occupies, or could occupy without the direct or indirect introduction of, or action by human beings, (FAO, 2007).

55. *Invasive Species.* A non-native species in a particular ecosystem the introduction and dispersion of which cause, or may cause sociocultural, economic, environmental damages, or impairment to human health (FAO, 2007).

56. *ITTO.* International Tropical Timber Organization. An intergovernmental organization fostering the preservation and management, use and sustainable trade of tropical forest resources. ITTO members include most tropical forests in the world and the world's trade in tropical timber.

57. *Management of Secondary Forests.* This is applied whenever conditions are such that the active management of forests leads to the desired outcome.

58. *Mono-crop.* Usually, single-species forest plantations of similar ages (Ministry of Forests and Pastures, British Columbia, 2008).

59. *Native Species.* Plants, animals, fungi and micro-organisms naturally present in a given area or region. Synonymous: Indigenous species (UNEP – World Center for Monitoring of Conservation [WCMC], 2010).

60. *Natural Habitats.* These are terrestrial, marine, coastal and water areas in which: (i) biological communities of ecosystems are mostly made up by native species of plants and animals; and (ii) human activity has not substantially altered the area's ecological functions and environmental services. All natural habitats have a significant biological, social, economic and intrinsic value. Among them mention could be made of highland, punas [High plateau in the Peruvian Andes in Quechua language], tropical humid forests, dry forests, mountain and rainforests, marshes, coastal marshes, estuaries, deserts, coral reefs, marine meadows, lakes, freshwater rivers, among others.

61. *Naturally Regenerating Forest.* A forest mainly made up by trees growing through natural regeneration (FAO, 2007).

62. *Non-use value* (Existence and bequest value). In contrast to use value, non-use value derives from the benefits the environment may provide which do not involve using it in any way, whether directly or indirectly. In many cases, the most important such benefit is existence value: the value that people derive from the knowledge that something exists, even if they never plan to use it. Thus, people place a value on the existence of blue whales, or of the panda, even if they have never seen one and probably never will; if blue whales became extinct, many people would feel a definite sense of loss. Bequest value is the value derived from the desire to pass on values to future generations. Non-use value is the most difficult type of value to estimate, since in most cases it is not, by definition, reflected in people's behavior and is thus wholly unobservable (World Bank, 1998).

63. *Non-Wood Basic Forest Products*. These are goods being derived from forests that are physical and tangible other-than-wood products of biological origin. They usually include non-wood plants and animals being collected in areas classified as forests. These specifically include the following products, whether they come from natural forests or planted forests: acacia, rubber/latex and resin, Christmas trees, cork, bamboo and rattan. They generally exclude products being obtained from or from tree stands in agricultural production systems, such as orchards, oil palm plantations and agroforestry crops under a canopy of trees. They specifically exclude: wood products and raw matter such as lumber, wood chips, charcoal, firewood and wood used for tools, household goods and carved goods, forest grazing, fish and shellfish (FAO, 2007).

64. *Option value*. Is the value obtained from maintaining the option of taking advantage of something's use value (whether extractive or non-extractive) at a later date. It is, therefore, a special case of use value, akin to an insurance policy. (Quasioption value, which derives from the possibility that even though something appears unimportant now, information received later might lead us to reevaluate it, is a related concept) (World Bank, 1998).

65. *Planted Forest*. A forest mainly made up by trees growing by planting and/or deliberate seeding practices (FAO, 2007).

66. *Precautionary Principle*. This principle states that the lack of information, scientific knowledge or certainty about the impacts of projects on the condition of natural habitats fails to constitute a reason to undertake the project. Moreover, the Precautionary Principle requires that the responsibility of justifying and providing the information and scientific knowledge needed to make an informed decision about the convenience of a project falls on the side of the proponent. In other words, in situations where information and knowledge about the impacts of a project on natural habitats is not complete or conclusive, the project shall not be implemented.

67. *Protected Area*. Area of land and/or sea especially dedicated to the protection and maintenance of biological diversity, and of associated natural and cultural resources.

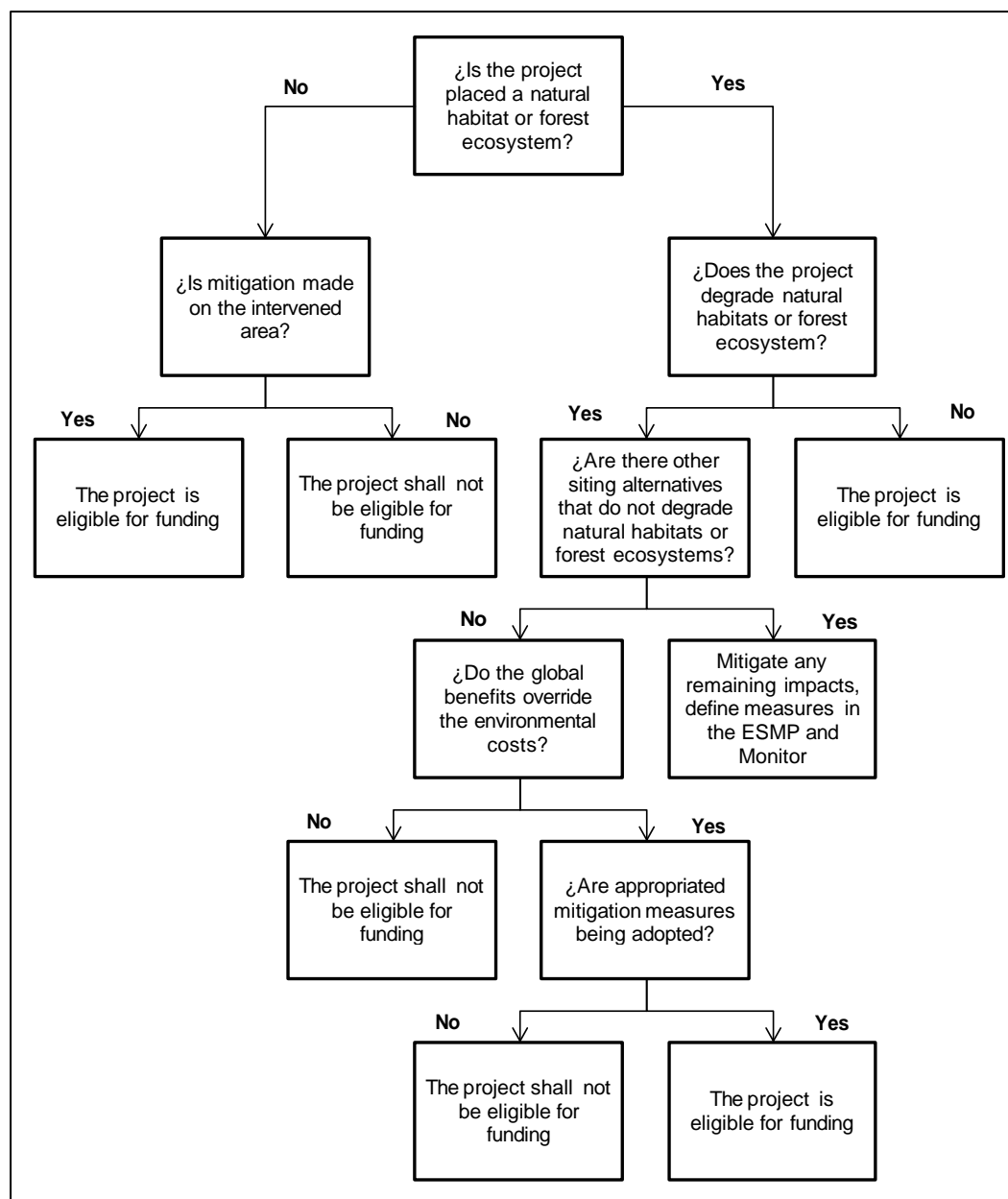
68. *Rehabilitation of Degraded Forest Lands.* This applies when the site is so heavily degraded that the spontaneous regeneration of trees and shrub species is severely constrained.

69. *Restoration of Natural Habitats.* The process to hastening recovery of an ecosystem that has been degraded, with the ultimate purpose that it becomes self-sufficient and able to recover itself from natural disturbances. The restoration process intends to return the perturbed habit to a state as close as possible to its natural conditions, without a need for any more human interventions in the future; this process should be incorporated into the environment and should also be self-sufficient.

70. *Species.* A population or a series of populations of organisms that can freely interbreed between them but not with members of other species. (FAO/IUFRO, 202).

71. *Total Economic Value (TEV).* Any good or service is composed of various attributes, some of which are concrete and easily measured, while others may be more difficult to quantify. The total value, however, is the sum of all of these components, not just those that can be easily measured. The breakdown and terminology for the components of TEV vary slightly from analyst to analyst, but generally include (i) direct use value; (ii) indirect use value; and (iii) non-use value. The former two are generally referred to together as “use value”. Each is often further subdivided into additional categories (World Bank, 1998).

### VI.3.2. Annex B. Siting Criteria Flow Chart



### VI.3.3. Annex C. Ecosystem Management Plan

An Ecosystem Management Plan should describe and address the following issues.

- A. Description of the main components of the ecosystem, for example:

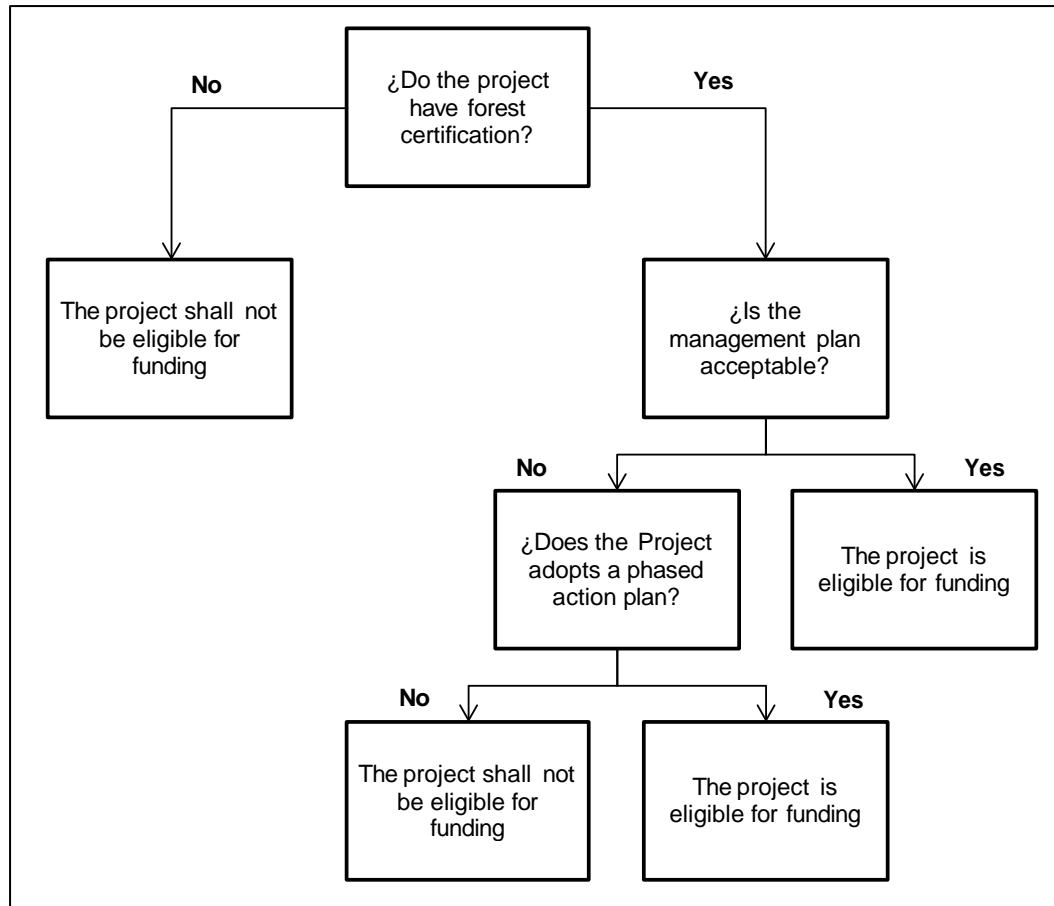
- (a) Physical – climate, soils, hydrology, oceanography;
  - (b) Biological – flora and fauna;
  - (c) Socioeconomic– people and communities living in the area, stakeholder analysis, main economic activities, human dependency on ecosystems and natural resources;
  - (d) Existing natural resource use; and
  - (e) Existing management measures and structures, including protected areas.
- B. Analysis of ecosystem functions, linkages and boundaries;
- C. Analysis of opportunities and threats, causes and effects;
- (a) Physical and biological changes
  - (b) Climate change: expected changes in average temperature and precipitation patterns.
  - (c) Changes in the legal and institutional framework
  - (d) Land-use changes
  - (e) Expected impacts from the construction of large infrastructure projects or migration patterns
- D. Definition of the ecosystem management objectives, including the need for rehabilitation of soils, vegetation cover, and/or specific ecosystem functions;
- E. Description of management measures to be undertaken to address the opportunities and threats, for example:
- (a) Physical measures – fencing, hydrological management and pollution control, including specific measures for ecosystem restoration;
  - (b) Biological measures – replanting, re-introduction of species, control of pest species, harvesting and weed control;
  - (c) Social measures – social fencing<sup>1</sup>, protection against poaching, alternative energy sources, zoning for multiple use;
  - (d) Research – filling information gaps, pilot studies;
  - (e) Analysis of the current legal and jurisdictional overlaps or gaps, and whether or not customary laws, bylaws and institutions already exist to strengthen the management regime; and
  - (f) Economic measures – public policies (for instance, payments for conservation, natural reserve declarations, changes in the taxation system), incentives, income-generating alternatives, marketing for natural resource products, ecotourism.
- F. Expected outcome of key management activities;

<sup>1</sup> Borrini-Feyerabend (1996) defines social fencing as being "a protection provided to a body of resources by a group of people, local institution, a partnership arrangement and/or a traditional system of stewardship, which is often more effective and sustainable than one provided by physical fencing".



- G. Description of monitoring measures, including indicators, regularity of measurement and methods of analysis;
- H. Requirements for adaptive management;
- I. Institutional arrangements and decision-making processes;
- J. Involvement of stakeholders – decision-making, implementation and enforcement, monitoring, education;
- K. Reporting and communications; and
- L. Budget and financing.

**VI.3.4. Annex D. Criteria for Decision Making in Sustainable Forestry**



**VI.3.5. Annex E. Minimum Requirements to Drafting up a Sustainable Forest Management Plan****A. Introduction**

- (a) This document sets forth the basis to drafting up a Forest Management Plan (FMP) the end goal of which is to provide the institution CAF with a reference source to evaluating and designing actions seeking to address the impacts or adverse effects arising out from forest management activities in a forest being harnessed so as to ensure the latter's sustainability.
- (b) The Forest Management Plan shall be drawn up by the applicant for further submission to CAF. This document shall also be conveyed to the relevant environmental authority to process the application for a permit to harness natural forests which are located on public or private lands. The Forest Management Plan provides the basis for the decision-making process being undertaken by the environmental authority, and further sets forth a date for activities to get under way.
- (c) An executive description shall be made of the project including the area to be intervened, volumes and species to be harnessed; background information on the forest to be harnessed, including an account of the activities to which the forest is being currently subjected, pointing out harnessing activities being undertaken per year, clear-cuttings, burnings, and any other activity which may have originated sudden and significant changes in the ecosystem. Further on, information shall be supplied on the status of compliance with the Forestry Legislation currently in force in the country in question, and the compliance with the natural habitats and forests safeguards as applicable to CAF - GEF projects.

**B. Management Plan Objectives**

- (a) To drawing up, setting out and making a description of tasks to be undertaken, the silvicultural systems likely to be applied to a forest liable to be harnessed, including a definition of the prevention, abatement, control, correction and compensation techniques and actions vis-à-vis the environmental impacts and implications to be brought about by the forest harnessing activity throughout the stages involved therein, and further including monitoring, follow-up and contingency plans.

**C. Contents of a Forestry Management Plan**

The content of a Forestry Management Plan may be asfollow:

- (a) Objectives. Making an overall description of the aims being sought after through the forest harnessing activity, with a brief reference to the way how this activity is to be carried out, and a listing of forest species to be harnessed and the volume size of each tree species.

- (b) Rationale. Describing how the project inserts itself into national development plans, public and sector policy, and local development plans.
- (c) Location.
  - (i) Site. Locating on a map the site on which the forest harnessing activity is to be performed, clearly specifying its boundaries and extent. CAF's own resources regarding aerial photographs, satellite imagery, and maps should be taken into consideration.
  - (ii) A 1:10000 map showing the location of the property on which the forest harnessing activity is to be performed should be attached (Longitude - Latitude).
- (d) Location within the jurisdiction
  - (i) State - Province – Department;
  - (ii) District – Municipality-Township;
  - (iii) Altitude (m.a.s.l)
- (e) Bio-Physical Characteristics of the Property
  - (i) Climate. Data on temperature, atmospheric precipitation, distribution, heliophany (sunshine hours), relative humidity. Climate zoning should be attached;
  - (ii) Geology - Geomorphology - Topography – Soils. Geology, stability degrees, terrain relief, slopes, geomorphology, physical – chemical characteristics of soils;
  - (iii) Potential Use. A description of areas for agricultural, livestock, forestry and protection uses; characteristics of these areas. Attach a zoning map for land use and management;
  - (iv) Current Use. Areas currently used for agricultural, livestock, forestry purposes; systems being used. Attach a current use map;
  - (v) Hydrography and Hydrology. Highlighting the hydrographic network in the project's area of influence, locating aqueducts works, irrigation channels, floods control, or other relevant works, average flows. Attach a Hydrological map;
  - (vi) Erosive processes. Existing erosion processes in situ, and in project's area of influence, susceptibility to erosion;
  - (vii) Fauna. Most common species in the area, their distribution, habits, richness and biodiversity indicators, description of species status and the rating being assigned to them on the IUCN Red Listing.
  - (viii) Flora.
    - Making a statistical inventory the sampling error of which does not exceed 15%, with a 95% probability. Conducting an up to 100% inventory of the species to be harnessed having a diameter larger than 10cm at breast height;
    - Describing main species in the area, their distribution, all species status, including their rating in the IUCN Red Listing;
    - Characterizing ecosystems currently existing in the project's areas of influence and establishing their preservation status; i.e. how rich,

fragile and vulnerable those ecosystems likely to be impaired by the project execution are.

- (f) Social Characteristics
  - (i) Population. Number of families living in the area, their regional distribution, age structure, origin, migrations, presence of ethnic groups. Number of people who supply their water requirements from the local aqueduct (if any);
  - (ii) Housing. Number of dwellings in the site and on the property, distribution, construction type, main building materials, housing conditions, water supply, sanitation, power systems being used;
  - (iii) Health. Nutrition (type and quality of food), diseases (type, causes, affected groups), infrastructure (Health centres, services provision, staff);
  - (iv) Education. Type of education, infrastructure, number of education centres in place, classrooms, students, teachers;
  - (v) Community Organization. Number of community organizations currently existing; number of people attached to them, activities being performed, operational capacity;
  - (vi) Local social networks or social capital. Identifying the operating mechanisms of social networks, or social capital involving community members involved in consumption and production activities. Exchange mechanisms for consumer products (eg food and clothing) and for production purposes (eg, tools, transportation means such as canoes, horses or mares, or inputs such as seeds and plants). The local social capital of a large number of communities may become into social security systems allowing community members in distress to be assisted by their own family and neighbors. This local social capital may also provide assistance to people in need over good times;
  - (vii) Community Work. Identifying mechanisms on the basis of which community work is set in motion (for example, the organization of communal work to service both, the community as a whole (through infrastructure building and maintenance, such as roads and water channels), and individually (such as the organization of community work to building or repairing the house of one of its members, or to tilling the land for planting on the property of one of the members of the community).
- (g) Economic Characteristics
  - (i) Land Tenure. Indicating the type of property to which the Forest Management Unit is attached: Public Forests, collectively-owned forests, individually-owned forests, other. Also, accrediting property rights with a public document duly updated and issued by the competent authority. Define the property size;
  - (ii) Economic Activities. A description of how local communities are linked to the forest to be harnessed (Table 1); a characterization of main economic activities the population is involved with: farming, mining, industrial, artisanal production, natural resource extraction, salaried employees (a definition of activities). Characterization of the average household income;

Table 1. Forest Products and Services

<i>Products</i>	Yes	No
Timber products		
Other than timber products		
Environmental services		
Cultural services		
Recreational services		

- (iii) Manpower Availability. Defining manpower availability in the area;
- (iv) Prices. Prices of products to be harnessed, by species and product;
- (v) Job Creation. Defining the number of jobs to be created on the basis of the forest harnessing activity;
- (vi) Marketing channels. Collection sites, buyers – intermediaries - product marketing;
- (vii) Environmental services of local and global benefit. On the basis of an ecosystems characterization, determining the importance of keeping ecosystems undisturbed because of the environmental benefits being locally and globally provide by them; for example, based on the identification of environmental services which could have a critical dependence on these ecosystems, which could generate benefits of such an importance that they deserve to be kept untouched.
- (h) Infrastructure
  - (i) Aqueduct - Energy - Basic Sanitation. Data collected should refer to an inhabited town, in which area the forest harnessing activity shall be implemented, or the nearest inhabited town (Table No.2);
  - (ii) Finding out whether there is an aqueduct in place; how much it costs; how many families are supplied with that aqueduct. How wastes are disposed of: the availability of septic tanks. Defining whether there is an electrical interconnection, and what other energy sources (wood, coal, gas) are used.

Table 2. Utilities Data

Item	Yes	No	A description should be made for each item as shown:
Aqueduct			Municipal, water storage tank, hoses
Sewage			Municipal, latrines
Electric Power			National grill, power plant
Roads			Roads, tertiary roads
Telecommunications			Public, mobile phones, other
Primary Schools			
High Schools			
Health Centre			

Item	Yes	No	A description should be made for each item as shown:
Health Brigades			Specify frequency
Internet Access			The Project area has access to internet services

- (iii) Roads. A description of the road network and pathways; a description of pathways being built for extraction purposes; transportation means to be used over harnessing activities;
- (iv) Other infrastructure in place. Community halls, industrial facilities, gathering places, Church.
- (i) Forestry
  - (i) Area. Defining existing forest area, area to be harnessed, affected area, area to be afforested;
  - (ii) Statistical inventory. Sampling error of less than 15%; 95% probability; 100% inventory for species to be harnessed having a diameter larger than 10cm at breast height;
    - Average diameter, basal area (cm, cm<sup>2</sup>),
    - Average total and commercial heights (m),
    - Volume per species per hectare (m<sup>3</sup>),
    - Growth: average/hectare/year, m<sup>3</sup>/ha/year,
    - Wood physical and chemical characteristic (hardness, weight),
    - Listing of species in situ.
  - (iii) Harnessing
    - Description of the system to be used in harnessing activities, volumes to be extracted per species per hectare, defining the minimum diameter allowed,
    - Felling, tools to be used (chainsaw, specifications), extraction system (cable, mules, men), loading and unloading from the felling site to the collection site,
    - Definition of small-size and large-size species transportation,
    - Extraction mode (under contract, per dredge, per ton, sale of standing timber),
    - Description of systems for harnessing by-products or waste being generated by the main production process.
- (j) Costs
  - (i) Specifying (direct and indirect) costs being estimated to carry out the forest harnessing activity;
  - (ii) Specifying job creation.
- (k) Schedule of Activities

Months – Years						
Activity						
Harnessing						
• Selection						
• Felling						

• Small-size transport						
• Large-size transport						
• Market						
Afforestation						
• Planting						
• Fertilization						
• Maintenance						

- (l) Afforestation. Defining tree species to be planted, planting methods, average spacing, fertilization plan, maintenance plan, job creation.
- (m) Afforestation Costs. Describing costs involved in afforestation activities and/or handling of the forest cover.
- (n) Forest Management
  - (i) Harnessing year;
  - (ii) Planting Year;
  - (iii) Thinning Year;
  - (iv) Maintenance performed (Pruning – Cleanings);
  - (v) Fertilization;
  - (vi) Plantation History;
  - (vii) Pest – Phytosanitary status;
  - (viii) Job creation.
- (o) Identification and quantification of environmental impacts
  - (i) Identification of environmental risks and impacts of harnessing activities;
  - (ii) Environmental services of local and global benefit. On the basis of a characterization of ecosystems existing in the project area, determining how the project shall help preserve or improve the ecosystems functioning, and the production of environmental services, together with their local or global nature. The project's economic feasibility may be enhanced if the economic returns being generated through the protection of important ecosystems provide environmental services benefitting society as a whole.
- (p) Actions to preventing, abating, offsetting, controlling and correcting environmental impacts.
  - (i) Describing measures to be undertaken to:
    - Preserving wild flora and fauna species showing biological characteristics (endemic, rare, threatened or endangered),
    - Protecting wild flora and fauna species in a critical conservation condition.
  - (ii) Describing measures being envisaged towards the preservation of soils and water resources, and to restoring areas being impaired by the project.
  - (iii) Conservation measures:
    - Conservation of water quantity and quality,
    - Soil conservation.
  - (iv) Restoration measures:

- Restoration of stream beds or watercourses being impaired by logging extraction roads,
- Rehabilitation of areas being impaired by loading or storage yards,
- Construction of biological conservation corridors,
- Waste Management.

#### **VI.3.6. Annex F. Requirements to be Complied With by Forest Certification Initiatives**

Forest certification initiatives shall meet criteria as follows:

- (a) Compliance of relevant legislation in its entirety;
- (b) Recognition of and respect for legally documented or customary rights of possession and use of land, and further, the rights of workers and ancestral populations;
- (c) The adoption of measures to maintaining or enhancing sound and effective community relations;
- (d) The preservation of biological diversity and ecological functions;
- (e) The adoption of measures to maintaining or restoring environmental benefits being provided by forests;
- (f) The prevention or reduction of adverse environmental impacts resulting from forestry activities;
- (g) Effective forest management planning;
- (h) Active monitoring and evaluation of relevant areas under forest management;
- (i) Restoration of project-affected forests and other critical natural habitats; and
- (j) Initiatives should be independent and cost-effective, and should also be based on objective and verifiable performance standards which have been defined at the national level, and are compatible with internationally accepted sustainable forest management principles and criteria.

#### **VI.3.7. Annex G. Requirements according to Forest Project Typology**

- (a) Industrial Forestry Projects. Projects of this type shall include an management plan fully described in Annex E. The mentioned management plan incorporates the recommendations of the Planted Forest in Sustainable Forest Management's Statement of Principles<sup>2</sup> (FAO, 2010) and the Voluntary Planted Forest Management Guidelines<sup>3</sup> (FAO, 2006).
- (b) Community Forestry Projects. Projects of this type shall take into account: (i) the degree of dependence and use of trees by local communities in the area being under the direct or indirect influence of the project; (ii) institutional arrangements

<sup>2</sup> Planted Forest in Sustainable Forest Management. A Statement of Principles. FAO. 2010. <http://www.fao.org>

<sup>3</sup> Responsible Management of Planted Forests. Voluntary Guidelines. Planted Forests and Trees. Working Paper FP37E. Roma. <http://www.fao.org>



to upgrade participation of Indigenous Population and low-income people who depend on forests in the project's direct or indirect area of influence; and (iii) aspects regarding forest products and services of importance to forest-dependent vulnerable communities, as well as opportunities to encourage women participation.

- (c) Forest or planted forests restoration. Projects of this type shall abide by the International Tropical Timber Organization Guidelines (ITTO) entailing the restoration, management and rehabilitation of secondary and degraded tropical forests.
- (d) In all cases, projects shall seek to: (i) enhancing forest biodiversity and ecosystems functions; (ii) establishing planted forests on no-forest lands which are devoid of critical natural habitats; (iii) avoiding the conversion or degradation of natural habitats; and (iv) strengthening up institutional capacity of governments, NGO, communities, private entities, to enable them to co-operate in forest restoration and establishment of planted forests.

#### **VI.3.8. Annex H. Terms of Reference (TOR) for Socio-Economic Assessment in Case of Projects Impacting Natural Habitats**

##### **A. Introduction**

- (a) Latin America and the Caribbean is one of the most biodiverse regions in the worlds with abundance of natural resources such as forests, oil and mining, and fisheries. Tropical forests, diverse fauna and flora species, marine resources, wetlands and rivers, islands, paramo and savannas, are some of the rich natural habitats available in the region. The adequate management and conservation of natural habitats is an essential component of sustainable development strategies and policies in the region.
- (b) At a local level, natural habitats and resources constitute means of consumption and production for indigenous peoples, and local communities. The provision of food or raw materials for the subsistence of local communities, for instance, depends on the preservation and/or regeneration natural habitats, which make these groups more vulnerable to changes in the conditions of natural resources. At the national level, natural habitats constitute the source and provider of resources and commodities linked to international markets.
- (c) The richness of natural habitats existing in the region also contributes to academic research and the promotion of biodiversity-based economic activities, such as food, beauty and pharmaceutical industries. Moreover, natural habitats have an intrinsic value linked to cultural and spiritual practices that ancestrally constitute a fundamental element of traditional life especially at the local level.
- (d) The relationship between human activities and the quality of natural habitats is generally characterized by risk and uncertainty that is a consequence of a limited scientific knowledge about the functioning of natural habitats and ecosystems, as well as about the effect of changes in the health of natural habitats on people's wellbeing. This is of vital importance in the current context of climate change

where society still fails to understand and anticipate the effects of changing weather patterns on the health of natural habitats, which in turn is expected to affect economic and social life.

- (e) The role that natural habitats play to protect human activities from weather-related disasters is still not well understood. The protection that natural barriers, such as coral reefs or mangroves, provide to coastal areas, or the storage capacity of CO<sub>2</sub> in different types of forests, are just a few examples of benefits not only at the local and national levels but also at the global scale. Likewise, the expected impacts of climate change in the quality and quantity of natural habitats have raised concerns about current practices of management of resources such as paramo that sustain ecosystem services such as the hydrological cycle or forests that constitute natural carbon sinks.
- (f) As a result of the risk and uncertainty involved in many decisions that can disturb the condition of natural habitats, projects require adopting a cautious approach when irreversible impacts are a possibility, even if this constitutes just a small probability. The Precautionary Principle emerges as such approach. This principle states that the lack of information, scientific knowledge or certainty about the impacts of projects on the condition of natural habitats fails to constitute a reason to undertake the project.
- (g) Moreover, the Precautionary Principle requires that the responsibility of justifying and providing the information and scientific knowledge needed to make an informed decision about the convenience of a project falls on the side of the proponent. In other words, in situations where information and knowledge about the impacts of a project on natural habitats is not complete or conclusive, the project shall not be implemented.

**B. Objectives**

The objectives of the economic assessment of natural habitats are the following:

- (a) Ensure that development options under consideration are environmentally sound and sustainable and that any environmental consequences are recognized early and taken into account in project design. The purpose of the Socio-Economic Assessment is to improve decision making and to ensure that the project options under consideration are environmentally sound and sustainable, as well as contributes to the reduction of poverty.
- (b) Contribute to information and analysis to the preservation of the natural richness of the region and of the ecosystem services provided by natural habitats.
- (c) Identify real or potential impacts of projects on the health and quality of natural habitats, regardless the existence of populations living in the area of impact. The identification of the impact on ecosystem services that are provided by natural habitats is of particular importance, specifically those that indirectly benefit society at a local and/or global scale (for instance, preservation of air, soil and hydrological cycles, CO<sub>2</sub> storage, climate regulation, and ecosystem equilibrium). Identify whether the project have excessive or unnecessary impacts on natural habitats to inform its design and implementation.

- (d) Incorporate the Precautionary Principle in the design and implementation of projects that have or may have an irreversible impact on the quality of natural habitats.
- (e) Identify the effect of projects that alter the conditions of natural habitats on the right and welfare of people, specifically the effect on people's production and consumption possibilities and on the wellbeing of more vulnerable groups (women, children and the elderly), and the intensity of the effect that depends on the level of people's dependence on these resources. The relationship of populations with the surrounding environment and natural habitats may not only be material but also cultural and spiritual.
- (f) Identify changes in the management, protection, or use of natural habitats that are the result of project design and implementation, regardless the nature of ownership of these resources, public, private or communal. The effects on plantations for commercial purposes, either private or communal, are also taken into consideration.
- (g) Prioritize interventions that contribute to the regeneration of natural habitats and the provision of ecosystem services, as well as those interventions that contribute to a sustainable management of these resources and the improvement of wellbeing or the reduction of poverty among the populations involved.
- (h) Identify whether the implementation of the project implies the involuntary resettlement of local populations or an increase in vulnerability of populations that directly depend on existing natural habitats.
- (i) Identify indirect or unforeseeable effects of the project, such as migration and colonization to the area of intervention, especially for projects that involves the construction of infrastructure or the improvement of the existing infrastructure, such as roads, power generation, and transportation means.
- (j) Determine whether the project contravene the environmental legal framework of the country or international environmental treaties and conventions.

C. Scope/activities

- C.1. Principles. The scope of the assessment of effects of the project on natural habitats shall observe the following main principles:
- (a) The design and implementation of the project shall observe national and regional development policy, the conservation and sustainable use of natural habitats and their ecological functions, and the rehabilitation of degraded natural habitats.
  - (b) In face of uncertainty about the environmental costs of the project, the Precautionary Principle determines the procedure to follow to assess the convenience of designing and implementing the project.
  - (c) A systematic environmental comparison of alternative investments, sites, technologies, and project designs.
  - (d) Environmental restoration activities shall privilege the maintenance and promotion of ecosystem functionality, especially in projects that include components for restoration of natural habitats and reforestation of degraded lands.

- (e) In the case of management of planted forests, either private or communal, shall be sustainable, ecologically sound, socially beneficial and economically feasible.
- (f) Projects that involve a significant degree of conversion or degradation of critical habitats will be excluded from receiving financial support from CAF.
- (g) Global and cross-sectorial issues shall be taken into consideration for the design, implementation and evaluation of the project; these issues include at least climate change, biodiversity conservation, cultural preservation, poverty reduction and protection of vulnerable groups.

C.2. *Components.* The scope of the assessment is determined by the following components:

- (h) Project description that includes the proposed project and its geographic, ecological, social, and temporal context, including any offsite investments that may be required (dedicated pipelines, access roads, power plants, water supply, housing, and raw material and product storage facilities), as well as resettlement or indigenous peoples plans, if required. The use of maps of the project site and its area of influence is required whenever possible. Moreover, an analysis showing whether the projects is correctly classified as belonging to Categories A or B is required, according to, paragraphs 27, 28, and 29 of the Guidelines.
- (i) The analysis of the policy, legal, and administrative framework of the proposed project. A discussion of the policy, legal, and administrative framework within the context of the environmental assessment is required.
- (j) A baseline study that corresponds to the assessment of the dimensions of the project site and describes relevant physical, biological, and socioeconomic conditions, including any impacts anticipated before the start of the project. The information should be relevant to decisions about project location, design operation or mitigation measures.

#### D. Socioeconomic impacts

The identification of socioeconomic impacts from the design and implementation of the project includes the following components. Identification of impacts of the project on natural habitats. The impacts can be direct or indirect and exclude direct effects on human groups:

- (a) Direct. Degradation of natural habitats in quantitative (for instance, number of hectares of forest converted to other uses) and qualitative (for instance, composition of the forest in terms of species of trees available in the area of intervention) terms.
- (b) Indirect. Changes in the functioning and equilibrium of ecosystems resulting from the direct impacts.

Analysis of alternatives for the elimination, reduction or mitigation of the negative impacts of the project, especially in cases where critical natural forests or habitats are affected. If the analysis of the project determines that no viable alternatives for location are available, the global benefits of the project have to be substantially larger than its environmental

costs, and funding will be provided conditional on the fact that appropriate mitigation measures are considered and implemented, as well as that the Project Proponent has the capacity to carry out these measures. Project alternatives located on already intervened lands will be preferable. Projects located on lands which have been deliberately intervened to make them eligible for project development shall not be funded. In the case of commercial forestry activities, the assessment will determine that areas being affected are neither critical forests nor related critical natural habitats.

The identification of effects that can be aggravated by the effect of climate change is of particular importance, especially if expected changes in weather patterns can have an effect on ecosystem functioning. The identification of this type of impacts shall be in accordance to the findings in the environmental assessment.

*E. Human populations' impacts*

Identification of impacts on human populations, both in the short and long term, as a consequence of changes in natural habitats due to project implementation. These impacts can be direct or indirect:

- (a) Direct impacts (direct and indirect use values): (i) consumption or production possibilities of populations in the area of intervention, as well as cultural and spiritual activities. Activities to be taken into account include at least the following: subsistence activities, supply of goods and raw materials, tourism, recreation and leisure, cultural and spiritual practices. This assessment should include the specific effects on vulnerable groups (women, children and the elderly; (ii) alteration of transportation means, for instance river flows in remote areas; (iii) scientific and academic research activities linked to natural habitats, natural resources and biodiversity; (iv) research for commercial purposes, not necessarily limited to the food, pharmaceutical and beauty industries (option value).

When the direct impacts are being identified, it is important to make the distinction between: (i) people who have lived in the area for several generations, (ii) people who have recently moved into the area and, (iii) non-resident populations who enter the area periodically to extract or use selected resources (visitors, tourists, encroachers, ranchers, traders, among others).

When populations involved belong to indigenous peoples, a socioeconomic assessment of indigenous peoples shall be elaborated, as indicated by CAF's Indigenous Peoples Safeguard.

- (b) Indirect impacts: (i) changes in the quantity and quality of ecosystem services that affect human beings at the local, national and global scale (indirect use values); (ii) intrinsic values (non-use values) of natural habitats linked to national identity (e.g. the condor in the Andean region or the Galapagos Islands of Ecuador), culture, and altruism towards future generations (e.g. the benefit from preserving the Amazon forest for the enjoyment of future generations) and

species of flora and fauna (the belief that species other than humans have the right to exist).

Whenever applicable and required, the validity of consultation and information dissemination processes adopted by the Project Proponent shall be assessed.

The identification of effects that can be aggravated by the effect of climate change is of particular importance, especially if expected changes in weather patterns can have an effect on people's wellbeing and on alternatives for climate change mitigation.

**F. Commercial Activities' impacts**

Identification of impacts on commercial activities, either private or communal, such as forest plantations or fisheries.

- (a) The analysis should show how the project impacts the performance of commercial activities, in terms of profits, costs, access to markets, management practices, etc.
- (b) Industrial-scale commercial forestry activities require having been certified by an independent forest certification system. The assessment should determine whether the project has obtained the certification, complied with the principles of responsible forest management as set forth in Annex F of the Guidelines for Natural Habitats; in case the independent forest certification system determines that the project still have to comply with requirements, the assessment should evaluate the soundness of the phased action plan required by the Guidelines, paragraph 13. Forest certification systems to be considered valid have to meet the criteria exposed in the Guidelines, paragraph 15. For the case of local landowners undertaking sustainable forest management projects or local communities involved in community forest management regimes, the assessment shall determine whether these projects meet the requirements of the Guidelines, paragraphs 16 and 17. The classification of forestry projects as industrial forestry projects, community forestry projects, and forest of planted forests restoration shall be assessed based on the requirements as set forth in Annex G.

**G. Involuntary resettlement**

Identification of the need of involuntary resettlement of local populations or an increase in vulnerability of the livelihoods of local populations as a consequence of the implementation of the project.

- (a) An analysis showing whether the involuntary resettlement of local populations is inevitable is required.
- (b) An analysis showing whether the vulnerability of local populations is affected is required. If the implementation of the project increases vulnerability, the analysis shall determine how and to what extent the vulnerability of local populations is

increased. The analysis should include alternatives to reduce or eliminate vulnerability, and/or measures to compensate the increased vulnerability.

*H. Precautionary Principle*

Identification of how the Precautionary Principle is adopted in the design and implementation of the project. The analysis shall consider the following elements:

- (a) The justification for the application of the Precautionary Principle. The analysis should identify the source of irreversibility of impacts expected from the project (for instance based on the fragility and complexity of ecosystems to be impacted, or the risk for endangered species in the area of intervention), and of uncertainty about the effects of the project (for instance, the lack of information and/or scientific knowledge).
- (b) An assessment of the approach proposed by the proponent of the project to overcome the sources of irreversibility and/or uncertainty, and analysis of alternatives for the project.
- (c) A recommendation about the convenience of the implementation of the project under the application of the Precautionary Principle.

*I. Other Aspects*

- (a) The measures aimed at preventing, abating and/or compensating for impacts on natural habitats and forest ecosystems shall be assessed based on what is determined by the Environmental and Social Impact Assessment and the Environmental and Social Management Plan (ESIA/ESMP) of the project, and the opinion of affected groups and key stakeholders, where appropriate.
- (b) Identification of impacts of the project that contribute to the preservation of natural habitats or the regeneration of degraded resources, as well as to the reduction of poverty among populations living in the area of intervention and the improvement of their living conditions. Likewise, recommendations on how to increase the positive impacts of the project shall be suggested. For projects entailing the sustainable management of forest resources, opportunities for the development of bio-trade markets and products, and environmental services deserve special consideration.
- (c) Recommendations about more specific studies, if required, to better understand the impacts of the project on the health and quality of natural habitats.
- (d) An analysis of the risk of indirect or unforeseeable effects, both in the short and long term, as a result of the implementation of the project. For instance, newcomers may feel attracted to areas of intervention in search of jobs, motivated for new and improved infrastructure (roads), or hoping to enjoy better services and improved living conditions. This analysis shall also take into consideration the pressure on existing resources and infrastructure, pressure on existing institutions or institutional capacity (to prevent crime, violence or disputes



over existing resources), increased pressure on health and sanitary facilities, alteration of local organization and community life, and increased marginalization of minority groups.

- (e) An analysis on whether the project contravenes the environmental legal framework of the country or international environmental treaties and conventions.
- (f) Whenever the project includes a component to strengthen up the institutional capacity of national or local entities responsible for planning and management of natural habitats and forests, an analysis evaluating the validity and effectiveness of the component is required, according to the Guidelines, paragraphs 24 and 25.
- (g) An assessment on whether the consultation and the information dissemination processes with groups affected by the project followed the principles as set forth in Guidelines, paragraph 21 and 22 respectively.

*J. Products/Deliverables*

- (a) Description of the proposed project that refers the concept and scope of the project, main components and activities, outcomes and main benefits and negative impacts in terms of social, economic and environmental effects. Whenever possible, the use of maps is expected.
- (b) Description of the environment that includes baseline data on relevant environmental characteristics of the study area. Whenever possible, the use of maps is expected.
  - (i) Physical environment: not necessarily limited to geology, topography, soils, climate and meteorology, ambient air quality, surface and ground-water hydrology, coastal and oceanic parameters, existing sources of air emissions, existing water pollution discharges, and water quality.
  - (ii) Biological environment: flora, fauna, rare or endangered species, sensitive habitats, including parks or reserves, species of commercial importance, and species with potential to become nuisances or vectors.
  - (iii) Socio-cultural and economic environment (include both present and projected where appropriate): population, land use, planned development activities, community structure, employment, economic activities of consumptions and production, distribution of income, goods and services, recreation, public health, cultural properties, indigenous peoples, and customs, aspirations and attitudes.
- (c) Legislative and Regulatory Considerations. Analysis of the environmental legal framework of the country or international environmental treaties and conventions, as well as of the component to strengthen up the institutional capacity of national or local entities responsible for planning and management of natural habitats and forests.



- (d) Determination of the potential impacts of the proposed project. The identification of the populations involved and the presence of vulnerable groups that deserve special attention. The analysis of positive and negative impacts of the project, direct and indirect effects as well as unexpected/unforeseeable impacts, in the short and the long run. Particularly the identification of impacts that are unavoidable or irreversible, as well as the degree of risk and uncertainty involved in the implementation of the project. Whenever possible, the analysis shall include a quantitative valuation of costs and benefits of the project, and the determination of economic values (total economic value and its components) when feasible. Whenever possible, the use of maps is expected.
- (e) A summary of the analysis of the socioeconomic survey and interviews, as well as of the secondary information collected.
- (f) A database with all the information from the socioeconomic survey, interviews and secondary information.
- (g) An analysis of the application of the Precautionary Principle to the project and whether the project is feasible under the application of this principle.
- (h) An analysis of the global and cross-sectorial issues that apply to the design, implementation and evaluation of the project.
- (i) An analysis of potential involuntary resettlement that may result from the implementation of the project and socioeconomic assessment of indigenous people, whenever applicable.
- (j) An analysis of the consultation process and information dissemination of the project with parties involved.
- (k) Analysis of alternatives to project design, location and implementation, as well as recommendations to mitigate and/or reduce the impacts of the project, and to strengthen the benefits from the project.
- (l) The delivery of the documents and information in printed and digital format.

## **VII. INVOLUNTARY RESETTLEMENT**

### **VII.1. Guidelines**

1. These Guidelines and its corresponding procedures and instruments aim to ensure that involuntary resettlement is reasonably and realistically avoided or minimized. Where conditions do not allow it, adequate measures shall be implemented to assist the community and/or people bound to displacement to attain better living standards, income sources and social networks, in comparison to those prevalent before the displacement or the beginning of project development, or at least as satisfactory as them.
2. These Guidelines are applicable where a proposed project implicates involuntary taking of land or involuntary restriction of access to legally designated parks and protected areas.
3. These Guidelines and Procedures shall be applied to projects in all CAF's member countries and will supersede the national environment and social assessment policies in case that the later do not meet the requirements of them
4. The Environmental Assessment of the project includes within its project alternatives assessment component the verification of project specifications to avoid and minimize, as possible, involuntary resettlement.
5. The Environmental Assessment of the project includes within its social and economic impact assessment component the scientific, well documented, and socially valid assessment of the potential economic and social impacts of the project related to:
  - (a) Involuntary taking of land which may include:
    - (i) Relocation or loss of shelter,
    - (ii) Loss of assets or access to assets;
    - (iii) Loss of income sources or means of livelihood, whether or not the affected person must move to another location;
    - (iv) Loss of social networks at the local level that can provide non-income sources for consumption (such as gift-giving or in-kind exchanges) and safety networks.
  - (b) Involuntary restriction of access to legally designated parks and protected areas. The instruments to support the assessment include necessarily those adequate to collect primary information from affected population.
6. The Resettlement Instrument (a Resettlement Plan, a Resettlement Framework or a Process Framework), established to address social and economic impacts identified during the Environmental Assessment of the project include the adequate measures and processes for the potential economic and social impacts of the project related to involuntary taking of land or involuntary restriction of access to legally designated parks and protected areas. The Project Proponent (PP) is responsible for The Resettlement Instrument.

7. The Environmental Assessment of the project and the plans or instruments established to address its identified social and economic impacts include the consideration of other activities that are (i) directly and significantly linked to the project, (ii) obligatory to achieve its objectives, and (iii) carried out or planned to be carried out contemporaneously with the project.

8. Note. Project appropriate consultation processes include also persons, host communities and local CSOs affected by such other activities, as suitable.

9. Where a project is related to the involuntary restriction of access to legally designated parks and protected areas, a participatory process shall be implemented. This process satisfies the following requirements:

- (a) It is designed to address the risks, impacts and conflicts resulting from the restriction. If the project participatory process includes other safeguard processes, the component related to the involuntary restriction shall focus on its specific subject and time demands.
- (b) Is documented.
- (c) It is disclosed before project appraisal.
- (d) Allows participation to have effect, as appropriate, on:
  - (i) Planning and implementation phases of pertinent project components;
  - (ii) Establishing eligibility criteria for assistance and compensation benefits;
  - (iii) Designing mitigation measures, including those related to income sources improvement or reestablishment, in consideration of the sustainability of the park or protected area;
  - (iv) Conflict resolution;
  - (v) Monitoring pertinent project components and mitigation measures implementation.

10. If the project conditions make resettlement unavoidable, a resettlement planning instrument is established. This instrument includes differentiated phases for planning, implementation and monitoring. The design of the instrument includes special considerations for condition and needs of displaced vulnerable groups like those below the poverty line, the landless, the elderly, women and children, Indigenous Peoples, ethnic minorities, or other displaced persons who may not be protected through national land compensation legislation.

11. Project consultation and participation processes.

- (a) Project consultation and participation processes include appropriate measures to allow and promote the involvement of people and groups to be resettled in the planning, implementation, and monitoring of the resettlement program.
- (b) Special consideration shall be provided to the establishment and validation of suitable, understandable and accessible grievance mechanisms; and to

- (c) The development of procedures to decide the eligibility for compensation benefits and development assistance.

12. The Resettlement Instrument includes consultation and participation processes and appropriate measures to inform individuals and groups to be resettled of their rights concerning resettlement, consult them on offered choices their options and appropriately documents these activities.

13. The resettlement instrument includes measures and/or processes to provide individuals and groups to be resettled with: (i) technically, culturally and economically feasible resettlement alternatives; and (ii) the pertinent assistance to integrate them in the processes and its exigencies. It may include:

- (a) Prompt compensation at full replacement cost for loss of assets attributable to the project;
- (b) If there is relocation, as required, provide assistance during relocation (as moving stipends), and provide residential housing, or housing sites, or agricultural sites, for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site.
- (c) Transitional support and development assistance (based on a reasonable estimate of the time required to restore their livelihood and standards of living), such as land preparation, credit facilities, training or job opportunities as required, in addition to other compensation measures;
- (d) Cash compensation of land when impact of land acquisitions on livelihoods is minor;
- (e) Provision of civic infrastructure and community services;
- (f) Give preference to land-based resettlement strategies for persons whose livelihoods are land-based;
- (g) Resettlement assistance in lieu of compensation for land to help improve or at least restore their livelihoods, for individuals and groups without formal legal rights to lands or claims to such land that could be recognized under the laws of the country;
- (h) Facilitation of processes for construction of new social networks and recovery of existing ones in resettlement locations.

14. Disclose draft resettlement instrument and the pertinent documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and in a form and language(s) understandable to affected individuals and groups and to other stakeholders, like CSOs. Disclose in the same way the final resettlement instrument and its updates.

15. In case of projects/subprojects requiring land acquisition this set of safeguard principles regarding involuntary resettlement shall be applied, as pertinent.

16. Implement all the pertinent components of the resettlement instrument(s) before project completion and provide resettlement entitlements before displacement or restriction of access.

17. Where the project is related to restriction of access, impose the restrictions in accordance with the planned actions timetable included in the resettlement instrument.
18. Upon completion of the project, assess the achievement of the resettlement instrument objectives, making reference to baseline conditions and the results of the resettlement monitoring.
19. For projects related to involuntary resettlement, a census is developed to identify persons and groups affected by the resettlement and to recognize those eligible for assistance. Additionally, a procedure is to be implemented, to establish: (i) the criteria to be considered eligible for compensation and other resettlement assistance; (ii) the processes and activities to consult affected persons and groups and pertinent authorities, organizations (as NGOs), and (iii) grievances mechanisms.
20. The implementation of resettlement activities shall be concomitant with the implementation of the investment component of the project to avoid that displacement or restriction of access happen before required measures for resettlement are in place.
  - (a) For impacts listed in paragraph 5 (a) of these Guidelines, the measures include provision of compensation and of other assistance required for relocation, prior to displacement, and preparation and provision of resettlement sites with adequate facilities, where required. In particular, taking of land and related assets may take place only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to the displaced persons.
  - (b) For impacts listed in paragraph 5 (b) of these Guidelines, the measures to assist the displaced persons are implemented as per the resettlement instrument of the project.
21. For displaced persons whose livelihoods are land-based:
  - (a) Preference should be given to land-based resettlement strategies;
  - (b) These strategies may include resettlement on public land, or on private land acquired or purchased for resettlement.
  - (c) Whenever replacement land is offered, resettlers are provided with land for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the land taken.
  - (d) If land is not the preferred option of the displaced persons, or the provision of land would adversely affect the sustainability of protected area, or sufficient land is not available at a reasonable price, non-land-based options built around opportunities for employment or self-employment should be provided in addition to cash compensation for land and other assets lost. The lack of adequate land must be demonstrated and documented to the satisfaction of the Project Team (PT).
22. Payment of cash compensation for lost assets may be appropriate where:

- (a) Livelihoods are land-based but the land taken for the project is a small fraction of the affected asset and the residual is economically viable;
  - (b) Active markets for land, housing, and labor exist, displaced persons use such markets, and there is sufficient supply of land and housing;
  - (c) Livelihoods are not land-based. Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets.
23. For impacts listed in paragraph 5 (a) of these Guidelines, it is also required that:
- (a) Displaced persons and their communities, and any host communities receiving them, are provided timely and relevant information, consulted on resettlement options, and offered opportunities to participate in planning, implementing, and monitoring resettlement. Appropriate and accessible grievance mechanisms are established for these groups.
  - (b) In new resettlement sites or host communities, infrastructure and public services are provided as necessary to improve, restore, or maintain accessibility and levels of service for the displaced persons and host communities. Alternative or similar resources are provided to compensate for the loss of access to community resources (such as fishing areas, grazing areas, fuel, or fodder).
  - (c) Patterns of community organization appropriate to the new circumstances are based on choices made by the displaced persons. To the extent possible, the existing social and cultural institutions of resettlers and any host communities are preserved and resettlers' preferences with respect to relocating in preexisting communities and groups are honored.
  - (d) The compensation mechanisms offered to the affected groups should also consider training in specific income-generating tasks and adaptation assistance, if required, especially for vulnerable groups to avoid further marginalization.

#### Eligibility for Benefits

24. Where involuntary resettlement becomes inevitable, the Project Proponent (PP) brings to completion a census to:
- (a) Identify the persons that will be affected by the project;
  - (b) Determine the persons that will be eligible for assistance;
  - (c) Identify consumption and production activities affected by the project and that require compensation;
  - (d) Avoid conflicts, discouraging arrival of people ineligible for assistance.
25. The PP is responsible for a procedure (to be reviewed by PT), that establishes:
- (a) The criteria for displaced persons to be considered eligible for compensation and other resettlement assistance;
  - (b) Measures for significant consultations with affected persons and communities, local authorities, and relevant nongovernmental organizations (NGOs);
  - (c) Grievance mechanisms.

26. Displaced persons shall be categorized in one of the following groups:
- (a) Persons having formal legal rights to land (including customary and traditional rights recognized under the laws of the country);
  - (b) Persons not having formal legal rights to land at the time the census begins but having a claim to such land or assets-provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan (see Annex A); and
  - (c) Persons not having recognizable legal right or claim to the land they are occupying.
  - (d) Squatters or persons occupying an abandoned or unoccupied area of land and/or a building.”
27. Persons included under paragraph 26 (a) and (b) are provided compensation for the land they lose, and other assistance in accordance with paragraphs 12, 13 (a), 13 (b) and 13 (c). Persons included under paragraph 26 (c) are provided resettlement assistance in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objectives of these guidelines, if they occupy the project area prior to a cut-off date established by the PE and satisfactory to PT. Persons who intrude on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance. All persons included in paragraphs 26 (a), (b), or (c) are provided compensation for loss of assets other than land.

#### Resettlement Instruments

28. The resettlement planning instrument or resettlement instrument to utilize in order to accomplish the objectives of these guidelines depends on the nature of the project:
- (a) A resettlement plan shall be used for every project requiring involuntary resettlement.
  - (b) A resettlement policy framework plan shall be used for every sector investment operation that may include involuntary resettlement. In such a case the Project Team (PT) verifies that the Project Proponent (PP) screen subprojects to be financed within the operation to confirm their consistency with this entire Guidelines.
  - (c) A process framework shall be used for every project related to restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons.
  - (d) Note 1. The resettlement instrument shall develop a complete strategy for the accomplishment of the objectives of these Guidelines and shall include all the aspects of the projected resettlement.
  - (e) Note 2. In every case the official delivery of the corresponding draft resettlement instrument to Project Team (PT), and its adequate disclosure, prior to appraisal, is responsibility of the Project Proponent (PP).
  - (f) Note 3. Where the resettlement framework is the applicable instrument, it must include the estimation, to the extent feasible, of the total population to be displaced and the overall resettlement costs.



- (g) Note 4. The Project Proponent (PP) is responsible for the preparation, implementation, and monitoring of the corresponding resettlement instruments, in consistency with these Guidelines.
  - (h) Note 5. In the case of projects involving restriction of access, after project appraisal, during project implementation and before the execution of the restriction, the PE prepares a plan of action, reviewed by PT, describing: (i) the required measures to assist the displaced persons; and (ii) the items concerning their implementation.
  - (i) Note 6. For each subproject included in projects described above in paragraph 28. (b), the PT requires that an acceptable resettlement plan or an abbreviated resettlement plan, consistent with the provisions of the policy framework, be submitted by the PE, for approval, before the subproject is accepted for financing.
29. Resettlement planning includes:
- (a) Early screening;
  - (b) Scoping of key issues;
  - (c) The selection of the resettlement instrument;
  - (d) The gathering of the information required to prepare the resettlement instrument (component or subcomponent);
  - (e) The opportune, and at an early stage, consultation process and communication of information about the resettlement aspects of the project to potentially displaced persons, and the registration of their points of view to inform project design;
  - (f) Note 1: The scope and level of development of the resettlement instruments depends on the magnitude and complexity of the resettlement;
  - (g) Note 2: To prepare the resettlement component, adequate social, technical, and legal expertise must be used and relevant community-based organizations and NGOs must be contacted;
  - (h) Note 3: The PP is responsible for resettlement planning;

#### Other Aspects

30. **Budget.** All costs of resettlement activities of the project are included in the total costs of the project. The costs of resettlement are treated as a charge against the economic benefits of the project; and any net benefits to resettlers (as compared to the "without-project" circumstances) are added to the benefits stream of the project. Resettlement components or free-standing resettlement projects need not be economically viable on their own, but they should be cost-effective. Monetary and non-monetary benefits and costs, as well as indirect and unforeseeable benefits and costs should be included as much as possible.

31. As a condition for appraisal of projects involving resettlement, the PP submits to PT the pertinent draft resettlement instrument, and, additionally makes it available to displacement affected persons and local NGOs as stated in paragraph 13. After PT approves the instrument, as providing an adequate basis for project appraisal, the PT



verifies it has been made available to the public through CAF-GEF web site. The final and approved resettlement instrument shall be disclosed in the same way.

32. PP is responsible of full implementation of the resettlement instrument and of keeping PT Bank informed of: (i) The implementation progress; and (ii) The fulfillment of the legal agreements for the project.

33. The PP is responsible for adequate monitoring and evaluation of the activities defined in the resettlement instrument. Upon completion of the project, he is also responsible for the assessment the achievement of the resettlement instrument objectives, as stated in paragraph 16. If the assessment reveals that these objectives may not be realized, the PP should propose follow-up measures. If PT considers adequate those measures, PT may decide continued supervision.

34. The PT supervises resettlement implementation on a regular basis to verify compliance with the resettlement instrument.

## **VII.2. Procedures**

### General Requirements

35. Whenever the Project Team (PT), during the project identification phase, recognizes any potential involuntary resettlement situation, related to the project, the PT starts the planning activities defined in this operational procedure.

36. All through the project planning and development processes, the PT ensures the required advice and support from CAF's Legal Counsel Office and CAF's Vice-President of Social Development Office.

37. Whenever a proposed project has been related to any identified potential involuntary resettlement situation, the PT communicates the Project Proponent (PP) the requirements of CAF's Guidelines on Involuntary Resettlement and of the present operational procedure.

38. Once the PP has been informed about the requirements of CAF's Guidelines on Involuntary Resettlement and of the present operational procedure, PT ensures the PP implement the following activities, accompanies him and supports him during the process:

- (a) Identifying the specific conditions, extension and dimension of the potential displacement and identifying as early as possible its general implications.
- (b) Searching feasible alternative project designs to avoid or minimize displacement;
- (c) Identifying, reviewing and assessing the legal framework connected with resettlement and the policies of the government and related implementing agencies. This activities include the identification of inconsistencies between those policies and CAF-GEF's Environmental Safeguards Guidelines), regulatory gaps, risks and opportunities.

- (d) Examining past Project Proponent and prospective implementing agencies' experience and learned lessons with similar operations;
- (e) Consulting with the agencies responsible for resettlement the policies and institutional, legal, and consultative framework for resettlement. Special attention must be paid to inconsistencies between their policies and CAF-GEF's Environmental Safeguards Guidelines), to regulatory gaps and to risks.
- (f) Examining requirements for technical assistance to support the PP.

39. To select the category of resettlement instrument (resettlement plan, abbreviated resettlement plan, resettlement policy framework, or process framework) to be applied to the project, its scope and any specific requirement, the PT consults CAF's Legal Counsel Office.

40. PT informs the PP the category of resettlement instrument to be applied to the project and, in order to complete the resettlement instrument, examines and agrees with him: (i) the required steps; (ii) the agenda for the resettlement instrument development process; and (iii) the resettlement instrument progress monitoring program.

41. While project planning process advances, the PT is responsible for starting and updating, in the Project Concept Document (PCD) and in the Project Information Document (PIF), a summary of the available information on: (i) the specific conditions, extension and dimension of the potential displacement; and (ii) the chosen resettlement instrument.

42. In case of projects with impacts specified in paragraph 5 (a) of CAF Involuntary Resettlement Guidelines, throughout the project preparation phase, the PT is responsible of monitoring, reviewing and assessing:

- (a) The adequate level of study of the project design alternatives and potential measures to minimize and mitigate involuntary resettlement.
- (b) The advancement in the formulation of the chosen resettlement instrument and its coherence with CAF's Guidelines on Involuntary Resettlement.
- (c) The criteria to be implemented for eligibility of displaced persons for compensation benefits and development assistance;
- (d) The consistency of the involvement and participation of the affected groups according to CAF's Public Involvement Guidelines (included in the CAF-GEF Projects Management Manual) and paragraph 11 of CAF's Guidelines on Involuntary Resettlement, considering:
  - (i) The effective engagement of stakeholders during project identification stage to make possible information sharing on planned activities, exchanging experiences, and receiving feedback from CSO, community organizations, Indigenous People (if applicable) and other stakeholders on expected project results.
  - (ii) The PP's projected measures, consultation and participation processes to involve the identified key stakeholder and communities in all stages of the project: planning and design, implementation and monitoring and evaluation.

- (iii) During project consultation and participation processes, special consideration is provided to the establishment and validation of suitable, understandable and accessible grievance mechanisms.
    - (iv) The development of procedures to decide the eligibility for compensation benefits and development assistance.
    - (v) In addition to consultation and participation processes, the Resettlement Instrument includes appropriate measures to: (i) inform individuals and groups to be resettled of their rights concerning resettlement; (ii) consult them on offered choices and their options; and (iii) appropriately documents these activities.
  - (e) The adequacy and feasibility of the suggested resettlement actions, include:
    - (i) Provisions for sites if, in case they are required;
    - (ii) Funding for the whole set of resettlement activities (including provision of counterpart funding on an annual basis);
    - (iii) Their relationship with the legal framework; and
    - (iv) Implementation and monitoring programs.
  - (f) The evidence of lack of adequate land (paragraph 21. (d) of CAF Involuntary Resettlement Guidelines), in cases where there is a lack of available land in projects with displaced persons whose livelihoods are land-based and for whom a land-based resettlement strategy is the prioritized option.
43. In case of projects with impacts specified in paragraph 5 (b) of CAF Involuntary Resettlement Guidelines, throughout the project preparation phase, the PT is responsible of monitoring, reviewing and assessing:
- (a) The resettlement planning process coherence with CAF Involuntary Resettlement Guidelines.
  - (b) The adequate level of study of the project design alternatives and potential measures to minimize and mitigate involuntary resettlement.
  - (c) The advancement in the formulation of the chosen resettlement instrument and its coherence with CAF's Guidelines on Involuntary Resettlement.
  - (d) The consistency of the involvement and participation of the affected groups according to CAF's Public Involvement Guidelines (included in the CAF-GEF Projects Management Manual) and paragraph 9 of CAF's Guidelines on Involuntary Resettlement.
  - (e) The criteria to be implemented for eligibility of displaced persons for compensation and other resettlement backing;
  - (f) the adequacy and feasibility of the suggested resettlement actions, including:
    - (i) Provisions for sites if, in case they are required;
    - (ii) Funding for the whole set of resettlement activities;
    - (iii) Their relationship with the legal framework; and
    - (iv) Implementation and monitoring programs;

In case Compensation must be provided, the PT is responsible of monitoring and reviewing the implementation of the adequate type of compensation, as follows:

	Compensations
(a) Persons having formal legal rights to land	<ul style="list-style-type: none"> <li>• Compensation for the land they lose.</li> <li>• Prompt compensation at full replacement cost for loss of assets attributable to the project;</li> <li>• If there is relocation, as required, assistance during relocation (as moving stipends), and residential housing, or housing sites, or agricultural sites, for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site.</li> <li>• Transitional support and development assistance (based on a reasonable estimate of the time required to restore their livelihood and standards of living), such as land preparation, credit facilities, training or job opportunities as required, in addition to other compensation measures;</li> <li>• compensation for loss of assets other than land</li> </ul>
(b) Persons not having formal legal rights to land at the time the census begins but having a claim to such land or assets (provided the claim is recognized under the national applicable laws or becomes recognized through a process identified in the resettlement plan)	<ul style="list-style-type: none"> <li>• Compensation for the land they lose.</li> <li>• Prompt compensation at full replacement cost for loss of assets attributable to the project;</li> <li>• If there is relocation, as required, assistance during relocation (as moving stipends), and residential housing, or housing sites, or agricultural sites, for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site.</li> <li>• Transitional support and development assistance (based on a reasonable estimate of the time required to restore their livelihood and standards of living), such as land preparation, credit facilities, training or job opportunities as required, in addition to other compensation measures;</li> </ul>
(c) Persons not having recognizable legal right or claim to the occupied land	<ul style="list-style-type: none"> <li>• Resettlement assistance in lieu of compensation for the land they occupy;</li> <li>• Other assistance, as necessary, to achieve the objectives of the Involuntary Resettlement Safeguard if they occupy the project area prior to a cut-off date established in the Resettlement Instrument.</li> </ul>
(d) Squatters	<ul style="list-style-type: none"> <li>• Resettlement assistance in lieu of compensation for the land they occupy;</li> <li>• Other assistance, as necessary, to achieve the objectives of the Involuntary Resettlement Safeguard if they occupy the project area prior to a cut-off date established in the Resettlement Instrument.</li> </ul>
<p>NOTE: In the context of a project, each specific compensation will be defined based on a census and adequate consultation.</p> <p>The final entitlement matrix of the Resettlement Instrument shall identify clearly:</p> <ul style="list-style-type: none"> <li>• all categories of affected people, including property owners and land right holders, tenants, squatters, sharecroppers, grazers, nomadic pastoralists and other natural resource users, shopkeepers, vendors and other service providers, communities, and vulnerable groups;</li> <li>• all types of loss associated with each category, including loss of physical assets; loss of access to physical assets; loss of wages, rent, or sales earnings; loss of public infrastructure and elements of cultural significance (as identified in the</li> </ul>	

- inventory of losses*); and,
- all types of compensation and assistance to which each category is entitled, including: compensation for or replacement of land and natural resources; compensation for structures, assets, wages, rent, or sales earnings; moving assistance and post-resettlement support (such as technical assistance, extension and skills training, and access to credit).

44. Based on the complexity or singularity of a situation related to resettlement issues and to the application of CAF-GEF Environmental and Social Safeguards, or on the lack of specific experience related to them, the PT may ask the support and guidance of an expert or even of a panel of experts. In such cases, decisions must be reported to CAF's Legal Counsel Office and must be endorsed by it.

#### Appraisal

45. Before accepting for appraisal a project involving involuntary resettlement, the PT must:

- (a) Receive from PP the chosen resettlement instrument (a resettlement plan, resettlement policy framework, or a process framework), finished, reviewed and according to CAF-GEF Involuntary Resettlement Guidelines;
- (b) Verify the whole implementation of community consultation requirements (CAF-GEF Involuntary Resettlement Guidelines, paragraphs 11 (a) and (b), 12, 23 (a), 25 (b), 29 (e).
- (c) Verify the whole implementation of disclosure requirements (CAF-GEF Involuntary Resettlement Guidelines, paragraphs 9 (c), 12, 23 (a), 29 (e), 31).
- (d) Verify the whole implementation of grievance mechanisms requirements (CAF-GEF Involuntary Resettlement Guidelines, paragraphs 11 (b), 12, 23 (a), 25 (c)).
- (e) Verify the whole implementation of other participatory processes requirements (CAF-GEF Involuntary Resettlement Guidelines, paragraphs 9. (c)).
- (f) that all the disclosed information is relevant, and that, on the basis of such information, a comprehensive vision of the project itself and its environmental and social implications are in place.
- (g) Verify that the design of the instrument includes special considerations for condition and needs of displaced vulnerable groups like those below the poverty line, the landless, the elderly, women and children, Indigenous Peoples, ethnic minorities, or other displaced persons who may not be protected through national land compensation legislation, as stated in CAF-GEF Involuntary Resettlement Guidelines, paragraph 10.
- (h) The information is acceptable as the basis for project appraisal.
- (i) Note. The PT also verifies the disclosure processes have been made at an accessible place and accessible to key stakeholders, including project affected groups and CSOs, in a culturally appropriate form, manner, and language, and that the consultation processes have included every key stakeholder, project affected groups and CSOs and have been made in a culturally appropriate form, manner, and language.

46. Only in highly unusual and justified circumstances, and with the endorsement of CAF' Legal Counsel Office, a project can be accepted for appraisal before finishing the chosen resettlement instrument; in such a case, together with the PP, the PT prepares a plan and a timetable to finish and receive the resettlement instrument, in accordance with CAF-GEF Involuntary Resettlement Guidelines.

47. After the draft resettlement instrument has been officially delivered to the PT, the PT, and a CAF's resettlement specialist review it and assess its adequacy as a basis for project appraisal. On the other hand, CAF' Legal Counsel Office reviews the legal aspects of the draft resettlement instrument and other legal specific subjects highlighted by the PT, and determines also if they constitute an adequate basis for project appraisal.

48. Based on the reviews of the PT, CAF's resettlement specialist and CAF' Legal Counsel Office, the PT decides whether the project is ready for appraisal.

49. Once the PT has decided the project is ready for appraisal, the PT verifies the adequacy of the non-technical executive summary of the resettlement instrument with respect to CAF's Public Involvement Guidelines (included in the CAF-GEF Projects Management Manual) and verifies that both, the draft resettlement instrument and its non-technical executive summary have been made available to the public through CAF-GEF webpage, remarking that the draft resettlement instrument is subject to modifications during appraisal (in such case new updates shall be also disclose in the same manner).

50. In the course of project appraisal, the PT reviews and assesses:

- (a) The PP engagement to implementing the resettlement instrument;
- (b) The PP capacity for implementing the resettlement instrument;
- (c) The feasibility of the proposed actions for enhancement or restoration of livelihoods and standards of living;
- (d) The availability of adequate counterpart funds for all resettlement activities;
- (e) The significant risks, including social conflicts and impoverishment, resulting from defective implementation of the resettlement instrument;
- (f) Coherence between the proposed resettlement instrument and the Project Implementation Plan;
- (g) The consistency of provisions for monitoring and evaluation of the implementation of the resettlement instrument. Depending on the complexity, risks and other circumstances of the project, the PT will adopt an internal or an independent monitoring and evaluation scheme.

51. When the draft resettlement instrument is modified during the project appraisal process, the PT verifies the review and agreement of CAF's resettlement specialist. If changes affect the legal aspects of the draft resettlement instrument and the legal specific subjects highlighted by the PT, CAF' Legal Counsel Office reviews the modifications and provides guidance to PT and to CAF's resettlement specialist.

52. Appraisal is finished after the PP officially delivers to PT the final draft resettlement instrument compliant with CAF-GEF Guidelines on Involuntary Resettlement.



53. In the Project Appraisal Document (PD), the PT describes:
- (a) The resettlement subjects;
  - (b) The planned resettlement instrument and measures;
  - (c) PP's compromise to implement the resettlement instrument.
  - (d) PP's institutional and financial capacity for executing the resettlement instrument.
  - (e) The PT explains in the PD the feasibility of the proposed resettlement measures and the risks associated with resettlement implementation.
  - (f) In the annex to the PD, the PT summarizes the resettlement provisions, covering, inter alia, basic information on affected populations, resettlement measures, institutional arrangements, timetable, budget, including adequate and timely provision of counterpart funds, and performance monitoring indicators.
  - (g) The PD annex shows the overall cost of resettlement as a distinct part of project costs.
  - (h) In the PD, the project description in the Loan Agreement describes the resettlement component or subcomponent.
  - (i) Note. The legal agreements provide for the PP's obligation to carry out the relevant resettlement instrument and keep CAF informed of project implementation progress. At negotiations, the PP and CAF agree on the resettlement plan or resettlement policy framework or process framework.
54. During Appraisal, before presenting the project for Financing approval Process, the PT confirms that the responsible authority of the PP and any implementation agency (if applicable) have provided final approval of the relevant resettlement instrument.

#### Compensation

55. In the case the PP has offered to pay compensation to a specific affected person in conformity with an approved resettlement plan, and the offer has been rejected:
- (a) The taking of land and related assets may only proceed if the PP has deposited funds equal to the amount offered as compensation plus 10 percent in a secure form of escrow or other interest-bearing deposit satisfying the CAF's fiduciary requirements;
  - (b) The PP must also provide a means satisfactory to CAF for solving the dispute related to the offer of compensation, in a timely and equitable way.

#### Supervision

56. Considering the magnitude and complexity of the resettlement component or subcomponent and the need to involve the necessary social, financial, legal, and technical experts to adequately supervise resettlement, the PT may ask additional experts support, with the endorsement of CAF's Director of the Environmental Division.
57. All through project implementation the PT supervises the implementation of the resettlement instrument and verifies that the indispensable social, financial, legal, and technical experts are included in supervision missions. In particular, in respect of eligibility for benefits and provision of compensation, the PT verifies:

- (a) Under PP's responsibility, the adequate implementation of the census and the fulfilling of its function (identifying the persons affected by the project, determining the persons be eligible for assistance, identifying consumption and production activities that require compensation and avoiding conflicts).
- (b) The adequacy and implementation of PP's procedure that establishes: (i) the criteria for displaced persons to be eligible for compensation and other resettlement assistance; (ii) measures for significant consultations with affected persons and communities, local authorities, and relevant nongovernmental organizations (NGOs); (iii) grievance mechanisms.
- (c) The satisfactory and documented categorization of every displaced person in one of the following groups: (i) persons having formal legal rights to land (including customary and traditional rights recognized under the laws of the country); (ii) persons not having formal legal rights to land at the time the census begins but having a claim to such land or assets--provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan; (iii) persons not having recognizable legal right or claim to the land they are occupying.
- (d) The provision of compensation according to paragraphs 20, 21, 22, 23, and 27 of CAF Involuntary Resettlement Guidelines.

58. PT Supervision must be focused on compliance with the legal instruments, including the Project Implementation Plan and the resettlement instrument. If the PT finds any inconsistency with respect to the agreed instruments, the PT reviews it with the PP, as soon as possible, and look for the more effective ways to produce corrective action. If convenient, PT reports to CAF's Legal Counsel Office.

59. The PT regularly reviews the internal, or the independent monitoring reports, to ensure that their findings and recommendations are being assimilated in project development.

60. During the early stages of project implementation the PT reviews project resettlement planning and implementation, searching for weaknesses and opportunities to amend or improve the resettlement instrument in order to facilitate: (i) a timely response to problems or opportunities resulting from the resettlement activities; (ii) the achievement of the objectives of CAF's Guidelines on involuntary resettlement. Based on the findings, the PT discusses and agrees with the PP the modification of the resettlement instrument and reports to CAF's Director of the Environmental Division.

61. In case of projects with impacts specified in paragraph 5 (b) of CAF's Involuntary Resettlement Guidelines, the PT assesses the plan of action to determine the feasibility of the measures to assist the displaced persons to improve (or at least restore in real terms to pre-project or pre-displacement levels, whichever is higher) their livelihoods with due regard to the sustainability of the natural resource. Based on the results, the PT informs CAF's Legal Counsel Office and the Director of CAF's Environmental Division. The PT verifies the plan of action has been made available to the public through CAF-GEF webpage.



62. Only after the whole relevant resettlement instrument has been implemented, a project may be considered complete and supervision may be finished.

63. Once the project has been completed, the PT executes the Final Report (FR) to:  
(i) evaluate the achievement of the objectives of the resettlement instrument; (ii) register learned lessons for future operations; and (iii) summarize the findings of the PP assessment (CAF's Involuntary Resettlement Guidelines, paragraph 32).

64. In case the FR evaluation indicates the objectives of the resettlement instrument may not be accomplished, the PT assesses the adequacy of the resettlement measures and may propose a future path, including, as convenient, continued supervision by CAF.

### **VII.3. Annexes**

#### **VII.3.1. Annex A. Outline of a Resettlement Policy Framework**

A policy framework is a Resettlement Instrument to implement where the project implementation requires the design and implementation of differentiated subprojects.

The policy framework objective is to clarify resettlement principles, organizational arrangements, and design criteria to be applied to each subproject to be prepared throughout project implementation.

Each specific subproject shall be delivered to CAF's Project Team for approval, once its planning phase is concluded.

#### **A. Executive Summary**

#### **B. Introduction**

- (a) Background
  - (i) Project description,
  - (ii) Proposed Project Areas,
  - (iii) Project Components,
- (b) Resettlement Policy Framework justification
- (c) Purpose of the framework
- (d) Objectives of the RPF
- (e) Scope
- (f) RPF methodology and approach
  - (i) Stakeholders Consultations and engagement,
  - (ii) Findings from stakeholder's engagement,
  - (iii) Capture of Gender and Vulnerability Issues.

#### **C. Social Economic Assessment**

- (a) Project Region Base Line (choose subjects as pertinent)
  - (i) Climate,
  - (ii) Topography,
  - (iii) Geology and soils

- (iv) Vegetation,
- (v) Watercourses,
- (vi) Demographics,
- (vii) Indigenous People (if applicable),
- (viii) Livelihood,
- (ix) Natural Resources Use and Access,
- (x) Administrative Institution,
- (xi) Urban Labour Force Indicators,
- (xii) Land Tenure,
- (xiii) Land Use and Settlement Pattern,
- (xiv) Health and sanitation,
- (xv) Water (include Water Resources Ownership if applicable),
- (xvi) Education,
- (xvii) Ethnicity,
- (xviii) Heritage sites,
- (xix) Economic activities,
- (xx) Municipal services,
- (xxi) Other subjects as pertinent,
- (b) Land conflict and their resolution mechanisms.

**D. Potential Resettlement Impacts and Mitigations**

- (a) Potential scenarios
- (b) Description of potential project impacts,
  - (i) Nature of impacts .
  - (ii) Categories of losses and their impacts on displaced persons
- (c) Minimization of physical displacement

**E. Legal and Institutional Framework**

- (a) Applicable national and local laws
  - (i) Legal framework for expropriation and compensation,
  - (ii) National political economy and governance,
  - (iii) National property and land right,
  - (iv) Acquisition and valuation of land and other assets,
  - (v) Human rights and compensation,
  - (vi) Dispute Resolution and Grievance Mechanisms.
- (b) CAF involuntary resettlement guidelines
- (c) Comparison of national laws and CAF involuntary resettlement guidelines (in particular regarding compensation)
- (d) Institutional framework. Pertinent and local authorities and entities (gender, labor & social, lands, housing, urban/rural development, environment, roads)

**F. Stakeholder Consultations**

**G. Land Administration and Categories of Affected Persons**

- (a) Jurisdiction of the framework
- (b) Land acquisitions, title, transfer and term of ownership
- (c) Land acquisition mechanism for the project
  - (i) Critical issues
  - (ii) Voluntary land contribution with compensation
  - (iii) Involuntary acquisition of Land
- (d) Categories of project affected people (PAPS)
  - (i) Affected Households
  - (ii) Vulnerable households
  - (iii) Internally displaced persons
  - (iv) Elderly
  - (v) Voluntary land contributors
  - (vi) Women
  - (vii) Indigenous peoples
- (e) Customary land users without a formal title

*H. Project Screening, Land Acquisition and Resettlement*

- (a) Project screening
- (b) Preparation of Resettlement Action Plans
- (c) Abbreviated Resettlement Action Plan (ARAP)

*I. Stakeholder Consultation and Participation*

- (a) Overview
- (b) Key issues
- (c) Consultation phases
  - (i) Data collecting phase,
  - (ii) Implementation phase,
  - (iii) Monitoring and evaluation phase.
- (d) Community involvement and sensitization
- (e) Notification procedure
- (f) Documentation
- (g) Contract Agreement

*J. Eligibility Criteria and Displacement Procedures*

- (a) CAF criteria for determining eligibility for compensation
- (b) Consideration under the project
- (c) Dead line date
- (d) Eligibility criteria for compensation
- (e) Indigenous peoples, women, and other vulnerable groups
- (f) Displacement of people

*K. Entitlements and Valuation Methods*

- (a) Extent of compensation by law

- (b) Specific compensation components
- (c) Key valuation methods

*L. Procedure for Delivery of Compensation*

- (a) Consultation and public participation
- (b) Notification of land resource holders
- (c) Documentation of holdings and assets
- (d) Procedures for payment of compensation
- (e) Role of office of chief government valuer

*M. Management and Monitoring of RPF Implementation*

- (a) Setup of resettlement management teams
- (b) Implementation of the rap on the ground
- (c) Sequence of implementation tasks and institutions
- (d) Grievance mechanism
  - (iv) Objectives,
  - (v) Detailed Grievances and Resolution Mechanisms.
- (e) Monitoring of RPF
  - (vi) Purpose,
  - (vii) Objectives and scope,
  - (viii) Overall mechanism,
  - (ix) Required information,
  - (x) Internal monitoring and evaluation,
  - (xi) External monitoring and evaluation,
  - (xii) Monitoring and evaluation indicators,
  - (xiii) Monitoring tools,
  - (xiv) Audit,
  - (xv) Reporting.
- (f) Capacity needs

*N. Disclosure and Budget*

- (a) Budget to implement RPF
- (b) Disclosure

*O. References*

- P. *Annexes (To specify on particular conditions, always includes acronyms/ abbreviations, glossary of terms)*

**VII.3.2. Annex B. Outline of a Resettlement Action Plan**

The final scope and in-depht detail of the resettlement plan depends on the magnitude and complexity of resettlement. The plan needs up-to-date and consistent information

about: (i) the required resettlement; (ii) its impacts on the affected persons and groups; and (iii) the legal aspects of the resettlement.

**A. Introduction**

- (a) Briefly describe the project.
- (b) List project components including associated facilities (if any).
- (c) Describe project components requiring land acquisition and resettlement; give overall estimates of land acquisition and resettlement.

**B. Minimizing Resettlement**

- (a) Describe efforts made to minimize displacement.
- (b) Describe the results of these efforts.
- (c) Describe mechanisms used to minimize displacement during implementation.

**C. Census and Socioeconomic Surveys.** Additional to the following items list, consider applicable items from Annex D - Terms of Reference (TOR) for Socio-Economic Assessment in case of projects including Involuntary Resettlement.

- (a) Provide the results of the census, assets inventories, natural resource assessments, and socioeconomic surveys.
- (b) Identify all categories of impacts and people affected.
- (c) Summarize consultations on the results of the various surveys with affected people.
- (d) Describe need for updates to census, assets inventories, resource assessments, and socioeconomic surveys, if necessary, as part of RAP monitoring and evaluation.

**D. Legal Framework. Consider the applicable items among the following items list:**

- (a) Describe all relevant local laws and customs that apply to resettlement.
  - (i) Applicable national and local laws
    - Legal framework for expropriation and compensation,
    - National political economy and governance,
    - National property and land rights,
    - Acquisition and valuation of land and other assets,
    - Human Rights and compensation,
    - Dispute Resolution and Grievance Mechanisms.
  - (ii) CAF involuntary resettlement guidelines
  - (iii) Comparison of national laws and CAF involuntary resettlement guidelines
  - (iv) Guidelines (in particular regarding compensation)
  - (v) Institutional framework: Pertinent and Local Authorities and Entities (Gender, Labor & Social, Lands, Housing, Urban/rural Development, Environment, Roads)

- (b) Identify gaps between local laws and CAF Guidelines and Procedures, and describe project-specific mechanisms to address conflicts.
- (c) Describe entitlement policies for each category of impact and specify that resettlement implementation will be based on specific provisions of agreed RAP.
- (d) Describe method of valuation used for affected structures, land, trees, and other assets.
- (e) Prepare entitlement matrix.

E. Resettlement Sites. Consider the applicable items among the following items list:

- (a) Does the project require community relocation sites? Have affected people been involved in a participatory process to identify sites, assess advantages and disadvantages of each site, and select preferred sites?
- (b) Have the affected people been involved in developing an acceptable strategy for housing replacement? Will new housing be constructed/allocated?
- (c) Does the project involve allocation of agricultural land or pasture/rangeland?
- (d) Have the individual households that will be allocated lands been involved in identifying potential new sites, and have they explicitly accepted the selected sites?
- (e) Describe the specific process of involving affected populations in identifying potential housing sites, assessing advantages and disadvantages, and selecting sites.
- (f) Describe the feasibility studies conducted to determine the suitability of the proposed sites, including natural resource assessments (soils and land use capability, vegetation and livestock carrying capacity, water resource surveys) and environmental and social impact assessments of the sites.
- (g) Demonstrate that the land quality and area are adequate for allocation to all of the people eligible for allocation of agricultural land. Provide data on land quality and capability, productive potential, and quantity.
- (h) Give calculations relating to site requirements and availability.
- (i) Describe mechanisms for: (i) procuring, (ii) developing and (iii) allotting resettlement sites, including the awarding of title or use rights to allotted lands.
- (j) Provide detailed description of the arrangements for site development for agriculture, including funding of development costs.
- (k) Have the host communities been consulted about the RAP? Have they participated in the identification of likely impacts on their communities, appropriate mitigation measures, and preparation of the RAP? Do the host communities have a share of the resettlement benefits?

F. Income Restoration. Consider the applicable items among the following items list:

- (a) Are the compensation entitlements sufficient to restore income streams for each category of impact? What additional economic rehabilitation measures are necessary?
- (b) Briefly spell out the restoration strategies for each category of impact and describe their institutional, financial, and technical aspects.

- (c) Describe the process of consultation with affected populations and their participation in finalizing strategies for income restoration.
- (d) How do these strategies vary with the area of impact?
- (e) Does income restoration require change in livelihoods, development of alternative farmlands or some other activities that require a substantial amount of training, time for preparation, and implementation?
- (f) How are the risks of impoverishment to be addressed?
- (g) What are the main institutional and other risks for the smooth implementation of the resettlement programs?
- (h) Describe the process for monitoring the effectiveness of the income restoration measures.
- (i) Describe any social or community development programs currently operating in or around the project area. If programs exist, do they meet the development priorities of their target communities? Are there opportunities for the project proponent to support new programs or expand existing programs to meet the development priorities of communities in the project area?

G. *Institutional Arrangements*. Consider the applicable items among the following items list:

- (a) Describe the institution(s) responsible for delivery of each item/activity in the entitlement policy; implementation of income restoration programs; and coordination of the activities associated with and described in the resettlement action plan.
- (b) State how coordination issues will be addressed in cases where resettlement is spread over a number of jurisdictions or where resettlement will be implemented in stages over a long period of time.
- (c) Identify the agency that will coordinate all implementing agencies. Does it have the necessary mandate and resources?
- (d) Describe the external (non-project) institutions involved in the process of income restoration (land development, land allocation, credit, and training) and the mechanisms to ensure adequate performance of these institutions.
- (e) Discuss institutional capacity for and commitment to resettlement.
- (f) Describe mechanisms for ensuring independent monitoring, evaluation, and financial audit of the RAP and for ensuring that corrective measures are carried out in a timely fashion.

H. *Implementation Schedule*

- (a) List the chronological steps in implementation of the RAP, including identification of agencies responsible for each activity and with a brief explanation of each activity.
- (b) Prepare a month-by-month implementation schedule (using a Gantt chart, for example) of activities to be undertaken as part of resettlement implementation.
- (c) Describe the linkage between resettlement implementation and initiation of civil works for each of the project components.

I. Participation and Consultation

- (a) Describe the various stakeholders.
- (b) Describe the process of promoting consultation/participation of affected populations and stakeholders in resettlement preparation and planning.
- (c) Describe the process of involving affected populations and other stakeholders in implementation and monitoring.
- (d) Describe the plan for disseminating RAP information to affected populations and stakeholders, including information about compensation for lost assets, eligibility for compensation, resettlement assistance, and grievance redress.

J. Grievance Redress. Consider the applicable items among the following items list:

- (a) Describe the step-by-step process for registering and addressing grievances and provide specific details regarding a cost-free process for registering complaints, response time, and communication modes.
- (b) Describe the mechanism for appeal.
- (c) Describe the provisions for approaching civil courts if other options fail.

K. Monitoring and Evaluation

- (a) Describe the internal/performance monitoring process.
- (b) Define key monitoring indicators derived from baseline survey. Provide a list of monitoring indicators that will be used for internal monitoring.
- (c) Describe institutional (including financial) arrangements.
- (d) Describe frequency of reporting and content for internal monitoring.
- (e) Describe process for integrating feedback from internal monitoring into implementation.
- (f) Define methodology for external monitoring.
- (g) Define key indicators for external monitoring.
- (h) Describe frequency of reporting and content for external monitoring.
- (i) Describe process for integrating feedback from external monitoring into implementation.
- (j) Describe arrangements for final external evaluation.

L. Costs and Budgets. Consider the applicable items among the following items list:

- (a) Provide a clear statement of financial responsibility and authority.
- (b) List the sources of funds for resettlement and describe the flow of funds.
- (c) Ensure that the budget for resettlement is sufficient and included in the overall project budget.
- (d) Identify resettlement costs, if any, to be funded by the government and the mechanisms that will be established to ensure coordination of disbursements with the RAP and the project schedule.
- (e) Prepare an estimated budget, by cost and by item, for all resettlement costs including planning and implementation, management and administration, monitoring and evaluation, and contingencies.



- (f) Describe the specific mechanisms to adjust cost estimates and compensation payments for inflation and currency fluctuations.
- (g) Describe the provisions to account for physical and price contingencies.
- (h) Describe the financial arrangements for external monitoring and evaluation including the process for awarding and maintenance of contracts for the entire duration of resettlement.

*M. Annexes*

- (a) Copies of census and survey instruments, interview formats, and any other research tools
- (b) Information on all public consultation including announcements and schedules of public meetings, meeting minutes, and lists of attendees.
- (c) Examples of formats to be used in monitoring and reporting on RAP implementation.

**VII.3.3. Annex C. Outline of a Process Framework**

A process framework is a Resettlement Instrument to implement where the project(s) may cause restrictions in access to natural resources in legally designated parks and protected areas. A process framework aims to establish a participatory process by which members of potentially affected communities participate in design of project components, determination of measures necessary to achieve resettlement policy objectives, and implementation and monitoring of relevant project activities.

*A. Background*

*B. Project components*

*C. Project implementation arrangement*

*D. Legal framework. Consider applicable items from Annex B, Section D - Legal framework in Outline of a Resettlement Action Plan*

*E. Project impact and the process framework*

*F. Project measures to ensure mitigating negative impacts*

- (a) Participatory planning of resource restriction
- (b) Alternative livelihood
- (c) Related Infrastructure development
- (d) Physical and Cultural Resources
- (e) Voluntary land acquisition
- (f) Other subjects and options as required

*G. Criteria for eligibility*

H. Social assessment. Consider applicable items from Annex D Terms of Reference (TOR) for Socio-Economic Assessment in case of projects including Involuntary Resettlement, below.

I. Process of FPIC (free, prior, and informed consultation)

J. Participation framework

K. Other projects actors and stakeholders in the concerned area

L. Project monitoring and evaluation

M. Budget

**VII.3.4. Annex D. Terms of Reference (TOR) for Socio-Economic Assessment in case of projects including Involuntary Resettlement**

1. Preliminary notes

- (a) These TOR are intended as a guide for contents and includes criteria to select and decide the final TOR applicable to the project
- (b) The implementation of this assessment shall be coordinated with the implementation of the corresponding project Environmental and Social Impact Assessment and of the project Environmental Management Plan
- (c) RAP stands for Resettlement Action Plan.

2. Background

- (a) Involuntary resettlement might be the result of the implementation of projects and policies. If unmitigated, involuntary resettlements might impact affected populations in economic, social and environmental domains, the following are likely to happen: The dismantlement of production systems, increased poverty incidence as a result of the loss of productive assets or income sources, relocation of people to environments where their productive skills may be less applicable and the competition for resources greater, the weakening of community institutions and social networks, dispersion of kin groups, and the loss of cultural identity, traditional authority and social safety networks.
- (b) The Involuntary Resettlement Socio-Economic Assessment (IR-SEA) aims to provide the information required to ensure that involuntary resettlement is reasonably and realistically avoided or minimized and, where resettlement is inevitable, this instrument provides the information to implement measures to assist the community and/or people bound to displacement to attain better living standards, income sources, and social networks, in comparison to those prevalent before the displacement or the beginning of the project development, or at least as satisfactory as them.

### 3. Involuntary Resettlement Socio-Economic Assessment (IR-SEA) Objectives

- (a) The IR-SEA shall provide the socio economic baseline specifically connected to the resettlement project needs or requirements to be implemented as part of the project development.
- (b) The IR-SEA must identify: (i) all people affected by the project, in the perspective of the foreseen resettlement needs or requirements, (ii) all adverse impacts on their livelihoods associated with the project's land acquisition; and (iii) compensation mechanisms for those losing their assets, means of consumption and production, and cultural attachment.
- (c) Providing the mentioned baseline and the information related to adverse impacts associated with the project's land acquisition are available, the IR-SEA is intended to complement the general socio-economic assessment to be executed as part of the project EIA (Environmental Impact Assessment) and is not intended to replace it.
- (d) Note. Typical effects include breakup of communities and social support networks; loss of dwellings, farm buildings, and other structures (wells, boreholes, irrigation works, and fencing), agricultural land, trees, and standing crops; impeded or lost access to community resources such as water sources, pasture, forest and woodland, medicinal plants, game animals, or fisheries; loss of business; loss of access to public infrastructure or services; and reduced income resulting from these losses.

### 4. Components of the Involuntary Resettlement Socio-Economic Assessment

#### A. Executive Summary

- B. Maps. In relation to the area from which people will be moved, prepare the following maps, supporting them as possible and convenient with aerial photography and undertaking the necessary land surveys.

The maps to be prepared must provide clear information regarding affected households, natural resources, fixed assets, and infrastructure. On the other hand, the maps shall provide a clear baseline that will also serve to protect the project from claims by people who move into the affected area after the cut-off date. The maps will at least provide the following information:

- (a) Individual affected households: detailed large-scale map(s) (if possible, supported with aerial photography) where individual affected households are demarcated and identified with registration numbers resulting from the population census described below.
- (b) Land use and potential: such as crop suitability assessments, natural vegetation, and livestock carrying capacity assessments, etc.
- (c) Thematic maps that identify:
  - (i) The location and extent of important types of land use;
  - (ii) The location of common property resources;

- (iii) Cultural property (for example, places of ritual significance, graveyards, and monuments);
    - (iv) Road and transportation networks;
    - (v) The location of employment and services.
    - (vi) The location of main cities and markets.
  - (d) In relation to the area where people will be resettled, its mapping may be included within the Socio-Economic Assessment activities, selecting the convenient thematic maps among those listed in 4B(c) above (if required, other maps may be prepared for that area).
  - (e) If, by the time the Socio-Economic Assessment is to be developed, the area to which people will be resettled has not yet been defined, its mapping activities should be scheduled as convenient.
- C. Socio - Economical Census. Implement a census of people affected by the project that satisfies the following conditions:
- (a) Census functions
    - (i) Enumerate and collect basic information on the affected population
    - (ii) Register the affected population by residence or locality;
    - (iii) Establish a list of legitimate beneficiaries before the project's onset, (in order to prevent claims from people moving into the project area merely to search benefits);
    - (iv) Set a framework for subsequent socioeconomic research needed to establish fair compensation rates and to design, monitor, and evaluate sustainable income restoration or development interventions;
    - (v) Provide a baseline for monitoring and evaluation.
    - (vi) Identify whether legally designated parks and protected areas constitute an involuntary restriction of access by members of communities living in the area of the project.
  - (b) Enumeration and registration
    - (i) Include all people adversely affected by the project: (i) regardless of their legal status (landowner, holder of land rights, tenant, illegal squatter); (ii) or whether they are actually living on an affected site at the time of the census.
    - (ii) Criteria: (i) lack of legal land title does not disqualify people from resettlement assistance; (ii) as well as private landowners and holders of rights to land, any person currently occupying public or private land for shelter, business purposes, or other sources of livelihood should be included in the census; (iii) while landless people or squatters may not be eligible for land compensation, they may be eligible for resettlement assistance, compensation for assets, and, where practicable, the benefits of development interventions, which may include provision of land.
    - (iii) In order to confirm the information provided by individuals with no formal rights on the lands they occupy, interviews to key informants (such as local formal or informal authorities, parish priest, community leaders) can be undertaken,

- (iv) Particular attention must be given to vulnerable groups living in the project area. These groups may include households headed by women or children, people with disabilities, the extremely poor, the elderly, and groups that suffer social and economic discrimination, including indigenous peoples and minorities.
  - (v) Census must account for people who may not occupy a site required by a project at the time of enumeration. Refugees or people internally displaced by civil conflict may be unable or unwilling to return to a location to exercise their land claims after a conflict.
  - (vi) In such cases, a strategy for checking and validating land claims is required.
- (c) Beneficiary capping
  - (i) Census planning and implementation must ensure sufficient public awareness of census completion and explicit cut-off date for eligibility for resettlement assistance.
  - (ii) The completion of the census represents a provisional cut-off date for eligibility for resettlement assistance.
  - (iii) Census responsible should provide affected people documentation that confirms their enumeration (identity cards or a witnessed copy of the survey endorsed by the household head).
  - (iv) Note: Proof of enumeration prevents an influx of people into the project area after the cut-off date.
  - (v) Starting with a basic rule that states that people moving into the project area after the cut-off date should not be entitled to assistance, concessions should be made for enumerator errors and omissions.
  - (vi) Previsions must be taken to enumerate individuals or groups who are not present at the time of registration but who have a legitimate claim to membership in the affected community.
  - (vii) If there is a significant time lag between the completion of the census and implementation of the RAP, provisions should be made for population movements and changes, which may include a second census.
- (d) Framework for socioeconomic studies
  - (i) In order to provide a general understanding of the communities affected by the project, and the scope of compensation and resettlement assistance necessary to mitigate adverse effects, from among the affected people, the project area census shall gather: (i) demographic information such as age, sex, family size, births, and deaths; and (ii) related social and economic information like ethnicity, health, education, occupation, income sources), and social networks (memberships, location of close family members and friends).
  - (ii) If it is required that host communities will be subject of compensation and resettlement assistance, the precedent information shall be gathered from them as well.
  - (iii) Based on the general understanding of the situation obtained from the information collected (Section 4B(c)(i) and (ii) above), the RAP's compensation and livelihood restoration strategies will be improved as

well as the need for more targeted socioeconomic studies will be identified, for instance studies on land and resource management practices, analysis of specific income streams, and the assessment of the role of gender and vulnerable groups.

- (e) Baseline data for monitoring and evaluation
  - (i) The census should provide resettlement quantitative data adequate to:
    - Budget resources and services to be provided to the affected population for compensation and resettlement,
    - To track the delivery of those resources and services;
    - To identify and correct problems in the delivery of resources and services throughout implementation of the RAP.
  - (ii) As possible, information gathered during the census should have to produce baseline data, at the household and community levels, adequate to establish indicators for:
    - Resettlement implementation,
    - Monitoring and evaluation of income restoration and sustainable development initiatives associated with the project RAP.
    - Social and cultural impacts.
- (f) Effort optimization
  - (i) Data gathering efforts should be consolidated, not only to economize on project resources, but also to minimize survey fatigue among the affected population.
  - (ii) Census instruments design shall consider at the same time the minimization of census formats, the completeness and clarity of the information, the opportunity to gather or generate baseline indicators (for instance mortality and fertility; children in school by age and sex; household size; incidence of disease; and key economic activities of household members) and the inclusion of all household/community members (even if some are not residents).
  - (iii) Note: In summary, with the least possible effort, the census consolidates information that
    - Provides initial information on the scale of resettlement to be undertaken;
    - Gives an indication of further socioeconomic research needed to quantify losses to be compensated and, if required, to design appropriate development interventions; and
    - Establishes indicators that can be measured at a later date during monitoring and evaluation stages.

D. Inventory of Affected Assets. The inventory of affected assets should observe the following considerations:

- (a) Undertake a detailed survey of all losses for each household, enterprise, or community affected by the project. The survey should account for land acquisition and loss of physical assets as well as loss of income-either temporary or permanent-resulting from displacement of household members from employment

or income-generating resources. Assets held collectively, such as water sources, livestock grazing areas, irrigation systems, and community structures should be recorded separately.

- (b) The methods and formulas for assigning value to lost assets and income forgone during resettlement must be validated and consulted with affected people, in order to develop a reasonable consensus.
- (c) In some jurisdictions, local authorities may be necessary to validate claims to assets.
- (d) Heads of households should be required to countersign the inventories of assets, in order to minimize the possibility of subsequent claims or disputes regarding claims.
- (e) As possible, consider the following important inventory categories:
- (f) Land Use/Land Capability
  - (i) All land acquired or otherwise affected by the project, whether on a permanent or a temporary basis, must be surveyed, classified by type, and recorded.
  - (ii) Note: though Civil authorities typically classify and assess the value of land by use (for instance, irrigated agriculture, non-irrigated agriculture, pasture, forest, housing, commercial), such classification may overlook the difference between present and potential land use requirements of affected people.
  - (iii) The Socio-Economic Assessment must establish the difference between present and potential land use to ensure that replacement land provided to affected people is of value equivalent to the land acquired from them.
  - (iv) Note: Such a differentiation typically requires detailed soils maps and an assessment of land capability and carrying capacity. In addition, even in cases where cadastral survey maps demarcating land ownership and classification are available from the local land revenue office, these maps may be outdated and no longer accurate. For this reason, project may need to undertake independent surveys of land use and assessments of capacity to ensure the accuracy and equitable payment of compensation claims.
  - (v) Verify if additional follow-up studies may be required to support estimates of the annual revenue derived from different land uses or land types such as irrigated land, rain-fed land, fish-farming ponds, and woodlots.
- (g) Houses and associated structures
  - (i) Inventory of all dwellings, separate kitchens, toilets, storerooms, barns, stables, livestock pens, granaries, and industrial or agro industrial workshops to be affected, classifying them by construction materials (timber, wattle, bamboo, reed, brick and mortar, concrete, earth, etc.). All structures should be included in the inventory regardless of whether they are permanently inhabited or occupied intermittently by transient populations.
- (h) Other private physical assets



- (i) Inventory of all other private non-moveable assets to be affected, such as standing crops, fruit and fodder trees, firewood and timber woodlots, plantations (rubber, oil palm, etc.) fencing, wells, irrigation structures, and graves or tombs.
- (i) Private enterprises
  - (ii) Inventory of all other private non-moveable assets to be affected, like shops, workshops, stalls, factories, and other business establishments should be surveyed and recorded. These should be classified according to ownership (private business, public enterprise, joint venture, etc.).
  - (iii) Individuals losing their businesses, employees losing jobs, or vendors losing customers should be enumerated, and the value of these losses incurred during the resettlement period should be estimated.
- (j) Assets at the community level
  - (i) At the community level, the assets survey should provide an inventory and an assessment of the losses of common and public resources including:
    - Common property resources, including forest and woodlands (sources of building and craft materials, biomass for domestic energy) and pasture.
    - Public structures, including schools, clinics, meeting halls, places of worship, wells/communal water points, livestock watering points, bathing and washing platforms, bus shelters, and monuments.
    - Cultural property. Cultural property includes archeological sites, burial grounds, monuments, shrines, places of worship, artifacts, and sites of religious or historical significance (Project responsible should refer to CAF's Physical Cultural Resources Guidelines and Procedures).
    - Infrastructure. All infrastructure that will be destroyed or disrupted by the construction of the project should be enumerated, including roads and bridges; irrigation and drainage channels; water and sewage lines; power lines; and communication lines.
- (k) Documentation
  - (i) The inventory of assets should be cross-referenced with the census and linked to the census in a single database.
  - (ii) It is required to photograph, document, and register all assets described above by household, business unit, or community organization.
  - (iii) Digitized photographs are to be used to record assets for storage in computerized census and socioeconomic databases.

**E. Other Socioeconomic Studies: Income Sources Survey**

- (a) In addition to the household-level socioeconomic data collected during the census and inventory of assets, a survey of all income sources is required in order to calculate the income loss from the project land acquisition as a proportion of total income.



- (b) Note. Particularly in rural areas, low income households (those commonly affected by resettlement), typically have diversified livelihood strategies that combine agriculture with wage labor and small-scale enterprise.
- (c) Implement if necessary additional socioeconomic studies to collect complementary quantitative (supported by qualitative) information in two important areas:
  - (i) Household-level income streams and livelihood strategies that were not identified in the census and inventories of assets; for instance, hunting, fishing and gathering for self-consumption that constitute non-income generating activities;
  - (ii) The structure, organization, and economic inter-dependencies within the local and larger community affected by the project.
- (d) Develop the necessary analysis of these data to identify those households most at risk from physical or economic displacement, especially with respect to more vulnerable groups, such as women, children and the elderly.
- (e) Note. Income stream analysis is not required in cases where land acquisition does not affect the income-earning capacity of a household (for example, in cases where only dwellings are displaced and the affected people can be relocated to near-by sites).
- (f) The additional socioeconomic studies should be linked closely with the census and inventory of assets to provide comprehensive information on household economic resources, including common property resources. The census and inventory of assets should have already identified the basic social unit of production or economic organization.
- (g) Note. Typically, this unit is the household, which functions as a single economic unit (a household may consist of a nuclear family, extended family, or a unit including non-related members).
- (h) If income streams are based exclusively on agriculture and associated activities, the socioeconomic study can be largely completed by merging the census and assets data.
- (i) Consider the convenience of carrying out additional studies to quantify net returns from income streams and to establish replacement values for land and assets.
- (j) Note. This information provides an understanding of household income streams and of how these streams can be restored after resettlement is complete. It also provides a baseline for evaluating the success of livelihood restoration and sustainable development measures.
- (k) Confirm that production and income stream data are disaggregating by gender in order to; (i) differentiate the roles that men and women play in maintaining a household's livelihood; and (ii).design appropriate strategies to restore income.
- (l) Where other activities contribute to the household economy (such as seasonal wage labor, remittances, or income earned by pastoralists herding livestock in areas distant from the community), the socioeconomic surveys should identify net returns from these income streams.
- (m) Note. In many parts of the world, rural people may appear to be agriculturalists. However, further analysis may reveal that the agricultural base is insufficient for subsistence and represents only a small portion of household income, whereas

the bulk of household income is derived from migratory wage labor or other sources.

- (n) Depending on the size of the affected population, consider the convenience of conducting a socioeconomic survey of the entire population on a household-by-household basis or the use of an appropriate sample where the population size exceeds a size suitable for interviewing all the households.
- (o) Note. Follow appropriate survey methodologies to ensure that a statistically valid representative sample of all strata of the affected population-including women and other vulnerable groups-is included in the survey. It might be worth-noticing that:
  - (i) A given community may not be homogeneous.
  - (ii) All groups within a community do not face the same vulnerabilities or have the potential to respond to development opportunities associated with a RAP.
  - (iii) The involvement of representatives of these groups in survey design and data gathering will improve the quality and comprehensiveness of the survey results.
- (p) Consider adequate measures to prevent that quantitative data gathering in resettlement situations could be problematic, in particular reviewing:
  - (i) Factors such as the adequacy of sample frames;
  - (ii) The experience of field staff,
  - (iii) The knowledge and cooperation of respondents,
  - (iv) Transportation and communications,
  - (v) Adequacy of field staff supervision can bias sampling as well as data collection.
  - (vi) The balance between quantitative and qualitative methods of gathering data, in order to ensure an understanding of income streams as complete as possible.
  - (vii) Note. Smaller-scale qualitative case studies may yield data that are as useful as larger-scale quantitative sample surveys.
  - (viii) Consider additional guidance on survey planning and design from the International Finance Corporation's (IFC) Handbook for Preparing a Resettlement Action Plan and form its Additional Resources section.

#### F. Analysis of Surveys and Studies

- (a) Verify the design of the analysis of the data collected in the census, assets inventory, and socioeconomic studies in order to serve three objectives:
  - (i) Providing information needed to establish an entitlement matrix for household- and community-level compensation;
  - (ii) Yielding basic economic and social information needed to design appropriate livelihood restoration and development interventions;
  - (iii) Providing quantifiable demographic, economic, educational, occupational, social and cultural (networks and safety nets), and health indicators for future monitoring and evaluation of RAP implementation.

- (b) Consider the convenience of having the household data aggregated to compare the returns to labor or investment in different income stream options (for instance, farming, livestock, or commerce).
- (c) Note. This information is essential to designing livelihood restoration measures for affected households and communities.
- (d) Likewise, the assessments of losses resulting from the effects of the project are better understood in the context of the overall household and community economies.
- (e) Consider also the convenience of having Household data disaggregated to identify economic strata within communities (the poorest and most vulnerable households, households dependent on remittances, etc.) and to identify appropriate assistance as well as development strategies for the populations affected by the project.
- (f) If necessary, design additional socioeconomic studies to yield information on the ways in which affected communities are organized and function.
- (g) Note. These studies should provide an understanding of leadership and decision making processes within the community that may function independently from the prevailing political and administrative structures. This understanding also helps to identify informal social support networks that are important for the survival of the community, particularly more vulnerable members of the community such as households headed by women, the impoverished, and groups that suffer social and economic discrimination.

#### G. Outputs/Deliverables

- (a) Maps. The printed and digital version of all maps constructed for the affected population and, if necessary, the host population.
  - (i) Individual affected households: a detailed large-scale map(s) (if possible, supported with aerial photography) where individual affected households are demarcated and identified with registration numbers resulting from the population census described below.
  - (ii) Land use and potential: such as crop suitability assessments, natural vegetation, and livestock carrying capacity assessments, etc.
  - (iii) Thematic maps that identify:
    - The location and extent of important types of land use;
    - Land use categories;
    - The location of common property resources;
    - Cultural property (for example, places of ritual significance, graveyards, and monuments);
    - Road and transportation networks;
    - The location of employment and services.
    - The location of main cities or markets
    - Rationale: important in terms of market-based opportunities for consumption and income generation.
- (b) Socioeconomic survey. The corresponding deliverables in this section include:
  - (i) A summary of the analysis of the socioeconomic survey.

- (ii) A detailed analysis of the information collected in the socioeconomic survey that includes: (i) the analysis of the socioeconomic characteristics of the affected and host populations or communities; (ii) the justification and main impacts of the resettlement alternatives; (iii) a general identification of the activities or household types that would require compensation more urgently; (iv) any other information collected in the survey that is relevant for the IR-SEA; and (v) conclusions and recommendations for the implementation of the IR-SEA.
  - (iii) A database with all the information from the socioeconomic survey.
  - (iv) A detailed appendix with the sampling and survey methodology employed, the list of interviewees during the socioeconomic census (individuals/household heads, business owners, and community leaders), the questionnaires filled with interviewees' information, and any other materials with information from the census.
  - (v) The delivery of the documents in both printed and digital format whenever applicable.
- (c) Asset inventory. The corresponding deliverables in this section include:
  - (i) A summary of the analysis of the asset inventory survey.
  - (ii) A detailed analysis of the information collected in the socioeconomic survey that includes: (i) the analysis of the socioeconomic characteristics of the affected and host populations or communities; (ii) the justification and main impacts of the resettlement alternatives; (iii) a general identification of the activities or household types that would require compensation more urgently; and (iv) conclusions and recommendations for the implementation of the IR-SEA.
  - (iii) The delivery of the documents in printed and digital format.
- (d) Other socioeconomic studies. The corresponding deliverables in this section include:
  - (i) A summary of the analysis of the socioeconomic survey.
  - (ii) A detailed analysis of the information collected in the socioeconomic survey that includes: (i) the analysis of the socioeconomic characteristics of the affected and host populations or communities; (ii) the justification and main impacts of the resettlement alternatives; (iii) a general identification of the activities or household types that would require compensation more urgently; and (iv) conclusions and recommendations for the implementation of the IR-SEA.
  - (iii) The delivery of documents and information in printed and digital format.

*H. Additional TOR's items to be defined based on the specific project conditions*

- (a) Contract duration. To be defined by the Project Team (PT) based on the characteristics and conditions of specific projects as well as the scope of the foreseeable impacts of the project.
- (b) Qualifications of the team. To be defined by the Project Team (PT) based on the characteristics and conditions of specific projects as well as the scope of the foreseeable impacts of the project.

- (c) Evaluation criteria. To be defined by the Project Team (PT) based on the characteristics and conditions of specific projects as well as the scope of the foreseeable impacts of the project.

## **VIII. INDIGENOUS PEOPLES**

### **VIII.1. Guidelines**

1. These Guidelines and its corresponding procedures and instruments aim to proceed in consistency with its mission of promoting sustainable development and regional integration, and with the principle of recognizing and supporting the identity, culture, and interests of Native populations and other ethnic communities, and of promoting their participation in achieving sustainable development. In the view that these communities play a fundamental part in environmental sustainability by virtue of their ancestral knowledge and practices, CAF, at the design and execution of projects under its responsibility, will implement the adequate measures to promote complete respect to the cultural distinctiveness, dignity and human and social rights of Indigenous People, in ways that assure their access to economic and social benefits, avoiding adverse impacts all through the process of development and in consideration of their own culture.
2. These Guidelines are applicable where an expected project implicates the presence of Indigenous People in the project area, or the existence of community links to it is confirmed.
3. These Guidelines and Procedures shall be applied to projects in all CAF's member countries and will supersede the national environment and social assessment policies in case that the later do not meet the requirements of them.
4. At the beginning of the project cycle, screen for the identification of Indigenous People with presence in the project area, or with community links to it, considering as appropriate criteria: (i) distinctive languages, cultures, and social, economic and political institutions and systems; (ii) self-identification; (iii) recognition by others; (iv) strong and collective link to territories and surrounding natural resources.
5. Consult Indigenous Peoples through appropriate procedures, and through their representative institutions, ensuring free, prior, and informed consultations and consent and their participation in the formulation, implementation and monitoring processes that shall guarantee: (i) the building of positive relationships between the project and the Indigenous community; (ii) the avoidance of adverse impacts (or the minimization, mitigation or compensation when the avoidance is not possible); and (iii) the conduction of benefits in consideration of their culture.
6. With meaningful participation of the concerned Indigenous Peoples communities and organizations, implement the environmental and social impact assessment to assess potential impacts and risks and to identify adequate measures to avoid, minimize and/or mitigate adverse impacts when necessary.
7. When the project conditions allow the Indigenous People community to receive socioeconomic benefits or to participate in them, implement a Culturally Sensitive Approach to reach solutions culturally appropriate, and gender and generationally inclusive, offering attention and opportunities to options favored by the involved community, not only while providing benefits but also at designing mitigation processes.

8. If, required, design an action plan for legal recognition of customary or traditional rights to lands and territories or ancestral domains and its management systems and collective rights exerted by project affected Indigenous Community.
9. Subject to the environmental and social impact assessment, formulate an Indigenous Peoples Plan (IPP) or an Indigenous Peoples Planning Framework (IPPF) that have recourse to indigenous knowledge and actual participation of affected Indigenous Peoples Communities, and to the support of qualified experts. The IPP includes: (i) measurements for continual consultation with the involved Indigenous Peoples communities all through project implementation; (ii) defines measures to ensure that Indigenous Peoples receive culturally appropriate benefits; (iii) specifies measures to avoid, minimize, mitigate, or compensate for any adverse project impacts; (iv) includes culturally appropriate grievance procedures, monitoring and evaluation arrangements; and (v) specifies a budget and deadline actions to implementing the planned measures.
10. Disclose a draft IPP or IPPF, the pertinent documentation of the consultation process and the results of the social impact assessment in a timely manner, before project appraisal, in an accessible place and in a form and language(s) understandable to affected Indigenous Peoples communities and to other stakeholders, like CSOs. Disclose in the same way the final IPP/IPPF and its updates.
11. Supported by qualified experts, monitor the execution of the project and of the IPP or framework, and their positive and negative impacts on the Indigenous Peoples community. If appropriate, implement a participatory approach both, to monitor and to define eventual mitigation processes.

## **VIII.2. Procedures**

12. Whenever the Project Team (PT), during the project screening phase, recognizes the presence of Indigenous People in the project area, or the existence of community links to it, the PT starts the planning activities defined in this operational procedure.
  - (a) PT is responsible for verifying the use of the appropriate recognition criteria stated in CAF's Indigenous Peoples Guidelines, paragraph 3 above.
  - (b) To carry on the screening phase, the PT uses personnel with qualified social scientists expertise on the social and cultural groups in the project area. If required, the PT holds direct consultations with the Indigenous Peoples to be affected by the planned project.
13. All through the project planning and development processes, the PT ensures the required advice and support from CAF's Legal Counsel Office and CAF's Vice-President of Social Development Office.
14. Whenever a proposed project indicates the presence of Indigenous People in the project area, or the existence of community links to it, the PT:
  - (a) Communicates the Project Proponent (PE) the requirements of CAF's Guideline on Indigenous People and of the present operational procedure.



- (b) Reviews with the PE its policies and institutional and legal arrangements for Indigenous Peoples;
- (c) Agrees with the PE the manner the Indigenous People Guidelines will be implemented under the project;
- (d) Discusses any technical assistance to be provided to the PE.

15. Free, Prior, and Informed Consultation. Whenever a project has impacts on Indigenous Peoples, during the project cycle, the Project Proponent (PP) is responsible for bringing to completion a free, prior, and informed consultation with affected communities about the planned project. While assessing and overseeing the PP's Process of Free, Prior, and Informed consultation, the PT considers that:

- (a) Meetings and decisions take place at locations and times and in languages and formats determined by the stakeholders;
- (b) Consultation methods recognize existing Indigenous Peoples Organizations, including councils of elders, headmen, and tribal leaders, and pay special attention to women, youth, and the elderly;
- (c) Free means that the PP or its representatives have not coerced intimidated or unduly incentivized the affected population to be supportive of the project.
- (d) Prior means that consultation with affected communities must be sufficiently early in the project planning process:
  - (i) To allow time for project information to be interpreted and comments and recommendations formulated and discussed;
  - (ii) For the consultation to have a meaningful influence on the broad project design options (e.g. Siting, location, routing, sequencing, and scheduling);
  - (iii) For the consultation to have a meaningful influence on the choice and design of mitigation measures, the sharing of development benefits and opportunities, and project implementation, including project design modification.
- (e) Informed means: Consultation with affected communities on project operations and potential adverse impacts and risks, based on adequate and relevant disclosure of project information and using methods of communication that are inclusive (i.e., accommodating various levels of vulnerability), culturally appropriate, and adapted to the communities' language, needs and decision-making, such that members of these communities fully understand how the project will affect their lives.
- (f) PP keeps a record of discussions with recognized community representatives, respected key informants, and legitimate representatives of subgroups.
- (g) When consultation process requires to produce a Consent:
  - (i)
  - (ii) Consent refers to the collective decision made by the affected peoples and reached through the customary decision-making processes of the affected peoples or communities, and understood as broad support from them.
  - (iii) Consent is a freely given decision that may include the option to reconsider if the proposed activities change or if new information relevant to the proposed activities emerges;



- (iv) Depending on the circumstances, consent may be given or withheld in phases, over specific periods of time for distinct phases of the project.

16. While project planning process advances, the PT is responsible for starting and updating, in the Project Concept Document (PD) and in the Project Information Document (PIF), a summary of the available information on the results of the screening and the agreements with the PP related to Indigenous People Guidelines requirements compliance.

17. Social Assessment. Wherever the screening phase indicates that Indigenous Peoples are present in the project area, or that they have collective attachment to it, is responsibility of the PP to carry out the environmental and social assessment, in accordance with CAF's Indigenous Peoples Guidelines, paragraph 5 above. The environmental and social assessment must:

- (a) Identify and evaluate potential impacts and risks;
- (b) Identify adequate measures to avoid, minimize and/or mitigate adverse impacts when necessary;
- (c) Develop the terms of reference reviewed by the PT to ensure that they are consistent with CAF's indigenous peoples guidelines, with this procedure, and with the general environmental and social assessment terms of reference included in the Annexes (A, B, C and D) of CAF's indigenous people safeguard;
- (d) Allow the affected indigenous peoples to participate in the environmental and social assessment through a process of free, prior, and informed consultation, as stated in paragraph 15;
- (e) Be carried out by social specialists whose adequate qualifications and experience shall be verified by the PT.
- (f) Provide the evidence that a broad support from the affected communities exists.

18. To select the category of Indigenous Peoples instrument (Indigenous Peoples Plan or Indigenous Peoples Planning Framework) to be applied to the project, its scope and any specific requirement, the PT consults CAF's Legal Counsel Office and, if specifically required, CAF's Environmental Division.

19. PT informs the PP the category of Indigenous Peoples instrument to be applied to the project and, in order to complete the Indigenous Peoples instrument, examines and agrees with him: (i) the required steps; (ii) the agenda for the Indigenous Peoples instrument development process; and (iii) the Indigenous Peoples instrument progress monitoring program.

20. Indigenous Peoples Plan (IPP). The IPP:
- (a) Is formulated by the PP in accordance with CAF's Indigenous Peoples Guidelines, Annex B, Outline of an Indigenous People Plan;
  - (b) Is integrated by the PP into the design of the project;
  - (c) Is developed to a level of detail adequate to the complexity of the planned project and to the nature and scale of the proposed project's potential impacts on Indigenous Peoples;
  - (d) Includes measures for continual free, prior and informed consultation with the involved Indigenous Peoples communities all through project implementation;
  - (e) Defines measures to ensure that Indigenous Peoples receive culturally appropriate benefits; and provide evidence of board support
  - (f) Specifies measures to avoid, minimize, mitigate, or compensate for any adverse project impacts;
  - (g) includes culturally appropriate grievance procedures, monitoring and evaluation arrangements;
  - (h) Specifies a budget and dead lined actions to implementing the planned measures.
  - (i) If project activities are contingent on establishing legally recognized rights to lands or territories that Indigenous Peoples have traditionally owned, or customarily used or occupied, the IPP outlines the steps and timetable for achieving legal recognition of such ownership, occupation, or usage.
  - (j) If the project is linked to the commercial development of natural resources on such lands or territories or of the cultural resources and knowledge of Indigenous Peoples, the IPP includes arrangements to enable the Indigenous Peoples to share equitably in the benefits to be derived and to receive these benefits in a culturally appropriate way CAF's Indigenous Peoples Guidelines, paragraph 9.
  - (k) Additionally, for projects involving commercial development of Indigenous Peoples' cultural resources and knowledge, the IPP documents the agreement reached with the affected communities for such development.
21. In case the planned project involves the physical relocation of Indigenous Peoples or the restriction of the access of Indigenous Peoples to legally designated parks and protected areas, the PP:
- (a) Must observe all the requirements stated in CAF's Involuntary Resettlement Guidelines, its procedure and annexes, which includes bringing to completion the corresponding resettlement instrument (Resettlement Action Plan, or Process Framework).
  - (b) Implement all the corresponding resettlement consultation processes as free, prior, and informed.
22. Indigenous Peoples Planning Framework (IPPF). When the planned project operation comprise the preparation and implementation of multiple subprojects or annual investment programs, the PP formulates an IPPF in accordance with the requirements defined in CAF's Indigenous Peoples Guidelines, Annex A and incorporates it into the

project design. The IPPF provides for the screening and review of these programs or subprojects in a manner consistent with the mentioned Guidelines.

23. Preparation of Indigenous Peoples Planning Framework (IPPF). The PT is responsible of monitoring, reviewing and assessing:

- (a) Under PP responsibility, the formulation of the IPPF, in consistency with the requirements of CAF's Indigenous Peoples Guidelines.
- (b) The adequate level of study of the IPPF and the advancement in its formulation.
- (c) The PP's opportune submission of the IPPF (to the PT).
- (d) Note: PT is responsible of forwarding the IPPF to CAF's Legal Counsel Office for review before appraisal.

24. Preparation of Project and Subproject IPPs. Having been ascertained, by the screening of an individual project or subproject identified in the IPPF, that Indigenous Peoples are present in, or have collective attachment to, the area of the project or subproject, the PT is responsible of monitoring, reviewing and assessing:

- (a) Under PP responsibility, the implementation of the Environmental and Social Evaluation and the formulation of the IPP and other relevant instrument(s), in consistency with the requirements of CAF's Indigenous Peoples Guidelines.
- (b) The adequate level of study of the Environmental and Social Evaluation, the IPP and other relevant instrument(s), concluding the potential measures to minimize and mitigate involuntary resettlement.
- (c) The advancement in the formulation of the Environmental and Social Evaluation, the IPP and other relevant instrument(s).
- (d) The PP's opportune submission of all the pertinent instruments (to the PT).
- (e) Note. PT is responsible of forwarding the IPPF to CAF's Legal Counsel Office for review before considering the program or subproject eligible for financing.

25. While project planning process advances, the PT is responsible for starting and updating, in the Project Concept Document (PD) and in the Project Information Document (PIF), a summary of the available information on: (i) the specific conditions, general description of the main potential impacts; and (ii) the chosen instrument (IPP, IPPF).

26. Based on the complexity or singularity of a situation related to Indigenous Peoples issues and to the application of CAF-GEF Environmental and Social Safeguards, or on the lack of specific experience related to them, the PT may ask the support and guidance of an expert or even of a panel of experts. In such cases, decisions must be reported to CAF's Legal Counsel Office.

27. Review and Disclosure. Once the PT has officially received the draft instrument (IPP, IPPF), from PP, PT reviews and verifies:

- (a) Its full compliance with CAF's Indigenous Peoples Guidelines the Bank, this procedure and its Annexes.

- (b) The disclosure of the instrument to the affected Indigenous Peoples' communities has been made at an accessible place and in a culturally appropriate form, manner, and language;
  - (c) The disclosed information is relevant, and that, on the basis of that information, a comprehensive vision of the project itself and its environmental and social implications are in place.
  - (d) The instrument has been appropriately reflected in the project design;
  - (e) The instrument is acceptable as the basis for project appraisal.
  - (f) Note. Once the PT has forwarded the draft instrument to CAF's Environmental and Climate Change Office for approval, and the draft instrument been approved, the PT makes it accessible to the public as stated in CAF's Public Involvement Guidelines (included in the CAF-GEF Projects Management Manual).
28. For project appraisal, the PT is responsible for:
- (a) Ensuring PT includes adequate social science expert(s) to assess the viability and sustainability of measures included in the IPP, IPPF and other instrument(s).
  - (b) Ensuring PT includes adequate legal expertise to assess the country's legal and policy framework associated with the project.
  - (c) The PT prepares a brief summary of how the project complies with the policy, in most remarkable considerations and requirement of the IPP/IPPF, as an annex to the Project Appraisal Document (PD). If convenient, the IPP/IPPF is also included as an annex to PD.
  - (d) If the project includes resettlement of Indigenous Peoples or restrictions of their access to natural resources, including the resettlement instrument should also be included an annex to the PD.
  - (e) Verifying reviewing and approval of PD and its annexes from CAF's Environmental Division and CAF's Legal Counsel Office.
29. Contract agreements and disclosure. Once it is verified that the Loan Agreement provides for the PP's obligation to implement the relevant instrument(s) and the Loan Agreement on the final instrument(s) and the project have been approved, CAF makes the PD and the final instrument(s) available to the public in accordance with CAF's Public Involvement Guidelines (included in the CAF-GEF Projects Management Manual). Also the PP makes the documents available to the affected Indigenous Peoples' communities at a locally accessible place and in a culturally appropriate form, manner, and language, as it is stated above for the draft instruments (paragraph 27 above).
30. During project implementation, the PT supervises:
- (a) PP's inclusion of adequate social science and legal expertise to bring to completion the provisions of the Loan Agreement.
  - (b) The implementation of the relevant legal covenants related to the Indigenous Peoples and other instrument(s).
  - (c) PP's monitoring of the execution of the project and of the IPP or framework, and their positive and negative impacts on the Indigenous Peoples community. These monitoring activities shall be supported by qualified experts.

- (d) Verifies the adequacy of implementing a participatory approaches (if appropriate) both to monitor and, if additionally required, to define eventual mitigation processes. If the participatory monitoring is implemented, PT supervises its process.
- (e) Note. In case the instruments are not being implemented as planned, the PT discusses the items with PP and agrees with him on corrective actions.

31. Once the project has been completed, the PT executes the Final Report (FR) to evaluate:

- (a) The degree of Indigenous Peoples' participation in the project cycle;
- (b) The impact of the project (positive and adverse), on the affected Indigenous Peoples;
- (c) The achievement of the objectives of the relevant instrument(s), as pertinent;
- (d) Learned lessons for future operations related to Indigenous Peoples.

32. In case the FR evaluation indicates the objectives of the relevant instrument(s) may not be accomplished, the PT assesses the adequacy of the resettlement measures and may propose a future path, including, as convenient, continued supervision by CAF.

### **VIII.3. Annexes.**

#### **VIII.3.1. Annex A. Outline of a Indigenous People Planning Framework**

##### **A. Executive Summary**

##### **B. Introduction**

- (a) Background
- (b) Project Components

##### **C. Indigenous Peoples Planning Framework**

- (a) Key Definitions
  - (i) Definition of Indigenous People
  - (ii) Marginalized
  - (iii) Vulnerable Groups
- (b) Rationale for the IPPF
- (c) Purpose of the IPPF
- (d) Objectives of the IPPF
- (e) Scope
- (f) Methodology for IPPF Preparation
  - (i) Reviews
  - (ii) Field Visits and Stakeholder Consultations
  - (iii) Information from the SA, RPF, and ESMF

*D. Situation Overview of Indigenous People*

- (a) Ethnicity Profile
- (b) Recognition of IPS
- (c) Overview of IPS
  - (i) Characteristics
  - (ii) IPS Groups and Population
- (d) Key Concerns and Issues of IPS

*E. Legal, Policy and Institutional Framework*

- (a) National Laws and Regulations
- (b) International Obligations
- (c) CAF Indigenous Peoples Operational Guidelines
- (d) Institutional Frameworks

*F. The Indigenous People in the Project Area*

- (a) Indigenous Groups
- (b) Vulnerable Groups: women, children, and the elderly.

*G. Potential Interactions of the Project*

- (a) Critical Issues
- (b) Project Components with Potential Positive Impacts
- (c) Potential Negative Impacts
- (d) Analysis of Project Intervention Risks
- (e) Key Recommendations
- (f) Barriers to Participation
- (g) Strategy for IPS Participation
  - (i) Guidelines for Inclusion
  - (ii) Consultation and Mobilization
  - (iii) Working with Stakeholders

*H. Stakeholder Consultations*

- (a) Summary of Issues
- (b) Recommendation from Stakeholder Consultations

*I. Procedures for Sub-Project Screening and Participation of IPS*

- (a) Overall Requirements
- (b) Assessment Requirements Underwork Bank Guidelines On Indigenous People
- (c) Subproject Screening Procedure
  - (i) Screening for Indigenous Peoples
  - (ii) Social Assessment
  - (iii) Free, Prior and Informed Consultation (FPIC)

(iv) Indigenous Peoples Plan

**J. IPPF Implementation and Capacity Needs**

- (a) Roles and Responsibilities
- (b) Project Implementation Recommendations
  - (i) National Level Implementation
  - (ii) Project Coordination at District Level
  - (iii) Project Implementation at Community Level
- (c) Capacity Building Needs
  - (i) Institutional Capacity Building for Safeguards Management
  - (ii) Required Project Training for IPS
- (d) Grievance Redress Mechanism

**K. Monitoring and Evaluation**

- (a) Overview
- (b) Monitoring Indicators for IPS
- (c) Monitoring of Vulnerable People

**L. IPPF Disclosure and Budget**

- (a) Budget
- (b) Disclosure

**M. References**

**N. Annexes**

- (a) Annex 1: Indigenous Peoples Screening and Impact Categorization
- (b) Annex 2: Standard Outline for an Indigenous Peoples Plan
- (c) Annex 3: Content of a Social Assessment
- (d) Annex 4: Details of Stakeholder Consultation Meetings
- (e) Annex 5: List of Consulted Persons

**VIII.3.2. Annex B. Outline of an Indigenous People Plan**

**A. Legal Framework.**

- (a) An assessment of: (i) the legal status of the groups covered by this project, as reflected in the country's constitution, legislation, and subsidiary legislation (regulations, administrative orders, etc.); and (ii) the ability of such groups to obtain access to and effectively use the legal system to defend their rights. Particular attention should be given to the rights of indigenous peoples to use and develop the lands that they occupy, to be protected against illegal intruders, and to have access to natural resources (such as forests, wild-life, and water) vital to their subsistence and reproduction.

**B. Baseline information**

- (a) Number and types of indigenous communities in the project area: respective information on demographics, ways of life and livelihood customs, cultural characteristics, use of natural resources, socio-economic characteristics, health and education levels and access and any relevant historical facts.
- (b) Baseline data should include:
  - (i) Accurate, up-to-date maps and aerial photographs of the area of project influence and the areas inhabited by indigenous peoples;
  - (ii) Analysis of the social structure and income sources of the population;
  - (iii) Inventories of the resources that indigenous people use and technical data on their production systems; and
  - (iv) The relationship of indigenous peoples to other local and national groups. It is particularly important that baseline studies capture the full range of production and marketing activities in which indigenous people are engaged. Site visits by qualified social and technical experts should verify and update secondary sources.

**C. Land Tenure**

- (a) When local legislation needs strengthening, CAF should offer to advise and assist the proponent in establishing legal recognition of the customary or traditional land tenure systems of indigenous peoples. Where the traditional lands of indigenous peoples have been brought by law into the domain of the state and where it is inappropriate to convert traditional rights into those of legal ownership, alternative arrangements should be implemented to grant long-term, renewable rights of custodianship and use to indigenous peoples. These steps should be taken before the initiation of other planning steps that may be contingent on recognized land titles.

**D. Analysis of impact, risks and opportunities**

- (a) Describe both the expected physical, economic and/or social impact of the project on each group and the feared impact.
- (b) Identify risks (physical, social and economic) of the project activities on current lifestyles and livelihood strategies.
- (c) Identify opportunities that will improve and/or enhance the quality of life of the Indigenous Peoples, especially among the most vulnerable: women, children and the elderly.

**E. Strategy for Local Participation**

- (a) Mechanisms should be devised and maintained for participation by indigenous people in decision making throughout project planning, implementation, and evaluation. Many of the larger groups of indigenous people have their own representative organizations that provide effective channels for communicating



local preferences. Traditional leaders occupy pivotal positions for mobilizing people and should be brought into the planning process, with due concern for ensuring genuine representation of the indigenous population.<sup>5</sup> No foolproof methods exist, however, to guarantee full local-level participation. Sociological and technical advice provided through the Regional environment divisions (REDs) is often needed to develop mechanisms appropriate for the project area.

*F. Consultation and participation*

- (a) Describe the approach taken to consult with and the participation of Indigenous Peoples and the special measures taken so as to engage appropriately. The approach shall constitute a gender and intergenerational inclusive framework, with special emphasis in women, children and the elderly, as well as with the future generations.
- (b) Outline the results of consultations and how the issues are to be followed up and addressed.
- (c) Develop a plan for future engagement and outline how it is to be undertaken, by whom and in what time frame.

*G. Institutional Capacity*

- (a) The government institutions assigned responsibility for indigenous peoples are often weak. Assessing the track record, capabilities, and needs of those institutions is a fundamental requirement. Organizational issues that need to be addressed through Bank assistance are the:
  - (i) Availability of funds for investments and field operations;
  - (ii) Adequacy of experienced professional staff;
  - (iii) Ability of indigenous peoples' own organizations, local administration authorities, and local NGOs to interact with specialized government institutions;
  - (iv) Ability of the executing agency to mobilize other agencies involved in the plan's implementation; and
  - (v) Adequacy of field presence.

*H. Implementation plan*

- (a) Identify the measures to be put in place to avoid or minimize negative impact. Link the measures to the impact; describe why they were chosen and how they will be effective.
- (b) Identify measures to be developed to enhance positive impact and how these will be implemented: describe how these were selected, by whom and why they will work.
- (c) Identify and describe measures to be adopted to ensure continuation of community-based natural resource management. Indicate how the measures were selected, how Indigenous Peoples were involved in the process and how they are to be implemented.

- (d) Identify and describe measures to derive project benefits and/or development opportunities: outline who will be the beneficiaries and in what way, how they are to be implemented and in what framework.
- (e) Grievance mechanism: outline the proposed process and describe how the mechanism has been developed to suit the indigenous community, using and building on the community's indigenous problem-solving approaches.
- (f) Implementation Schedule: Components should include an implementation schedule with benchmarks by which progress can be measured at appropriate intervals. Pilot programs are often needed to provide planning information for phasing the project component for indigenous peoples with the main investment. The plan should pursue the long-term sustainability of project activities subsequent to completion of disbursement.

*I. Monitoring and Evaluation*

- (a) Monitoring, evaluation and reporting: identify who is to be responsible for internal and external monitoring and evaluation, the involvement, if any, of the indigenous community and how the results are to be disseminated.
- (b) Independent monitoring capacities are usually needed when the institutions responsible for indigenous populations have weak management histories. Monitoring by representatives of indigenous peoples' own organizations can be an efficient way for the project management to absorb the perspectives of indigenous beneficiaries and is encouraged by the Bank. Monitoring units should be staffed by experienced social science professionals, and reporting formats and schedules appropriate to the project's needs should be established. Monitoring and evaluation reports should be reviewed jointly by the senior management of the implementing agency and by the Bank. The evaluation reports should be made available to the public.

*J. Cost Estimates and Financing Plan*

- (a) Costs, budget, timetable and organizational responsibilities: indicate how these were decided and how the IP communities were involved in the decision making process.
- (b) The plan should include detailed cost estimates for planned activities and investments. The estimates should be broken down into unit costs by project year and linked to a financing plan. Such programs as revolving credit funds that provide indigenous people with investment pools should indicate their accounting procedures and mechanisms for financial transfer and replenishment. It is usually helpful to have as high a share as possible of direct financial participation by the Bank in project components dealing with indigenous peoples.

### **VIII.3.3. Annex C. Terms of Reference (TOR) for Socio-Economic Assessment in case of projects including Indigenous People**

#### **1. Background**

- (a) Latin America and the Caribbean is one of the regions of the world with the greatest human diversity and cultural expressions. The life of these communities and indigenous groups has been full of history, traditions, culture, ancestral knowledge, and human richness. The contribution of indigenous peoples to the social and economic life of the countries, as well as their rights and will to define their own future and approaches to development, are acknowledged and promoted by the projects funded by CAF.
- (b)
- (c) For this reason, when proposed projects imply implementation of activities in locations with potential presence of Indigenous People, the confirmation of their presence and the identification of community links to the lands to be affected, need to be verified. This approach is based on the fact that the design and execution of projects is aimed at promoting sustainable development and regional integration, and with the principle of recognizing and supporting the identity, culture, and interests of Native populations and other ethnic communities, and of promoting their participation in achieving sustainable development, in the view that these communities play a fundamental part in environmental sustainability by virtue of their ancestral knowledge and practices.
- (d)
- (e) The projects with potential impacts on indigenous populations will implement the adequate measures to promote complete respect to the cultural distinctiveness, dignity and human and social rights of Indigenous People, in ways that assure their access to economic and social benefits, avoiding adverse impacts all through the process development and in consideration of their own culture.

#### **2. Socio-Economic Assessment objectives.** The main objectives of the social assessment are:

- (a) To evaluate the project's potential positive and adverse impacts on the affected Indigenous Peoples.
- (b) To inform project preparation to ensure that project activities are culturally appropriate and will enhance benefits to target groups, and is likely to succeed in the given socioeconomic and cultural context.
- (c) To provide information for the design of the project as well as any particular measures and instruments needed to address issues and concerns related to Indigenous Peoples affected by the project. The Social Assessment information will provide essential information for the design and implementation of the Indigenous People Action Plan (IPP).
- (d) To disseminate the information among the involved indigenous groups or communities, as well as NGO and CBO (Community Based Organization), with the aim to obtain a wide social support for the project.

### 3. Criteria

- (a) The Social Assessment shall gather relevant information on demographic data; social, cultural and economic situation; and social, cultural and economic impacts.
- (b) Preferably, the information will be gathered through separate group meetings within the IP community, including their leaders, NGOs, CBOs, and other affected persons.
- (c) Discussions shall focus on potential positive and negative impacts of the subproject, measures to enhancing positive impacts, and strategies/options to minimize and/or mitigate negative impacts.
- (d) Consultation of Indigenous People shall incorporate appropriate procedures, specifically a Culturally Sensitive Approach, that ensure free, prior, and informed consent and participation in the formulation, assessment and implementation of the project.
- (e) Especial emphasis shall be put on identifying the positive and negative effects among the most vulnerable; this is women, children and the elderly.
- (f) The level of detail of the assessment will depend on project activities and their potential impacts on local communities.
- (g) In all cases the assessment will be based on consultations with the affected communities.
- (h) If the implementation of the project implies the relocation of Indigenous Peoples or the restriction of access to legally designated parks and protected areas, the CAF's Involuntary Resettlement Guidelines have to be observed.
- (i) For small scale projects with no direct impacts on indigenous communities, the social assessment report is short and includes a brief overview of the indigenous communities affected by the project, project activities as they relate to the local communities, how project implementation will address the particular circumstances of Indigenous Peoples, and how they will participate and be consulted during implementation. For bigger projects, a more elaborate report is required and should include the following elements, as needed:

### 4. Content of the Social Assessment

The breadth, depth, and type of analysis required for the social assessment are proportional to the nature and scale of the proposed project's potential effects on the Indigenous Peoples. The observance of the CAF's Indigenous Peoples Guidelines, and the requirements for the Indigenous Peoples Plan (IPP) and the Indigenous Peoples Planning Framework (IPPF), whenever applicable, is expected to develop the corresponding assessment. The social assessment includes the following elements, as needed:

#### A. Legal and institutional framework

- (a) Reviewing and describing, on a scale appropriate to the project, the legal and institutional framework applicable to Indigenous Peoples.
  - (i) Local framework; national framework and international framework.
  - (ii) Note. Special attention should be provided to the adequacy of the legislation and the institutional capacity to allow legal recognition of the customary or traditional land tenure systems of indigenous peoples.
  - (iii) Where the traditional lands of indigenous peoples have been brought by law into the domain of the state and where it is inappropriate to convert traditional rights into those of legal ownership, evaluate and propose alternative arrangements to be implemented to grant long-term, renewable rights of custodianship and use to indigenous peoples.
  - (iv) When the reviewing concludes the local legislation needs strengthening, the information collected must be adequate and sufficient to allow CAF to advise and assist the proponent in establishing legal recognition of the customary or traditional land tenure systems of indigenous peoples.
- (b) Assessing the legal status of the Indigenous Peoples (individuals and groups) affected by the project, as reflected in the country's constitution, legislation, and subsidiary legislation (regulations, administrative orders, etc.).
- (c) Assessing the capacity of the Indigenous Peoples (individuals and groups) affected by the project to obtain access to and effectively use the legal system to defend their rights.
- (d) Note. Assessments described in (b) and (c) above must give special attention to the rights of indigenous peoples to use and develop the lands that they occupy, to be protected against illegal intruders, and to have access to natural resources (such as forests, wildlife, and water) vital to their subsistence and reproduction.
- (e) These activities should be implemented before the initiation of other project planning steps that may be contingent on recognized land titles.

**B. Social Baseline**

- (a) Identification of Indigenous People with presence in the project area or with community links to it based on appropriate criteria (See Guidelines, paragraph 4.), with the participation of experts on the social and cultural groups involved in the project area. Likewise the use of maps that show the location of the project and of the indigenous groups involved are required.
- (b) Gathering baseline information on the demographic, social, cultural, and political characteristics of the affected Indigenous Peoples' communities, the land and territories that they have traditionally owned or customarily used or occupied, and the natural resources on which they depend.
- (c) Demographic characteristics
- (d) Educational conditions
- (e) Health conditions
- (f) Economic conditions
  - (i) Non-income generating activities: self-consumption and gift-giving
  - (ii) Income sources: local trade and wage labor.
  - (iii) Inventory of available resources at the household level.

- (iv) Inventory of available resources for the community.
- (g) Cultural aspects
  - (i) Social networks and kin membership.
  - (ii) Traditions, cultural expressions, and ancestral customs.
- (h) Tenure and land use
  - (i) Private ownership
  - (ii) Communal ownership and ancestral land rights
  - (iii) Land uses
- (i) Access and management of natural resources
  - (i) Access to natural resources by households and communities
  - (ii) Management of common resources
  - (iii) Distribution of the benefits from the management of common resources
  - (iv) Incentives and penalties for the management of common resources
- (j) Access to public services
  - (i) Existing infrastructure
  - (ii) Basic needs to be yet covered or improved.
- (k) Social organization
  - (i) Social organization and hierarchies
  - (ii) Participation processes
- (l) Conflict resolution
  - (i) Indigenous mechanisms for conflict resolution
  - (ii) Relationship between traditional approaches and national legal frameworks

C. Key stakeholder identification and consulting

- (a) Taking the review and baseline information into account, identify key project stakeholders and elaborate a culturally appropriate process for consulting with the Indigenous Peoples at each stage of project preparation and implementation.

D. Analysis of impact, risks and opportunities

- (a) Identify, describe, analyze and evaluate: (i) the expected physical, economic and/or social (included cultural aspects, current lifestyles scenarios and livelihood strategies) impacts and risks of the project on each group; and (ii) the feared impacts.
- (b) Identify and describe opportunities that will improve and/or enhance the quality of life of the Indigenous Peoples.
- (c) The assessment of the potential adverse and positive effects of the project shall be based on free, prior, and informed consultation, with the affected Indigenous Peoples' communities.
- (d) The assessment of the potential adverse impacts shall include an analysis of the relative vulnerability of, and risks to, the affected Indigenous Peoples' communities given possible distinct circumstances and close ties to land and natural resources, as well as their possible lack of access to opportunities relative

to other social groups in the communities, regions, or national societies in which they live.

- (e) Note. The analysis of vulnerability shall consider the different groups in particular project contexts, for instance, in terms of potential exclusion from project benefits, negative project impacts, and the need for specific culturally compatible mechanisms for participation (e.g. for women, the widowed, permanently disabled, elderly etc.),
- (f) The identification and evaluation, based on free, prior, and informed consultation with the affected Indigenous Peoples' communities, of measures necessary to avoid adverse effects, or if such measures are not feasible, the identification of measures to minimize, mitigate, or compensate for such effects, and to ensure that the Indigenous Peoples receive culturally appropriate benefits under the project.

*E. Consultations, an integral part of the Social Assessment*

Measures shall be taken to ensure that the consultation process:

- (g) Favor intergenerational and gender inclusion and provide, at each stage of the project preparation and implementation, opportunities for consultation with the affected Indigenous Peoples, and other civil society organizations proposed by the affected Indigenous Peoples;
- (h) Use appropriate methods of consultation with the social and cultural values of the affected Indigenous Peoples and local conditions , and in the design of these methods , pays particular attention to concerns of women , youth and indigenous children as they all can access to development opportunities and benefits offered by the project.
- (i) Provide the affected Indigenous Peoples all relevant information on the project in a culturally appropriate, sustainable, and gender inclusive manner, at every stage of the preparation and implementation of the project. This includes that affected Indigenous Peoples:
  - (i) Receive documentation and materials in format and culturally appropriate language and in native language, where appropriate;
  - (ii) Have knowledge about social evaluation and/or IPP (indigenous Peoples Plan) through appropriate means;
  - (iii) Have mechanisms for consultation and treatment of complaints and disputes from the beginning of planning social assessment;
  - (iv) Are addressed during the process by qualified personnel:
- (j) Minimum content to be disclosed within the report:
  - (i) The process of free, prior and informed consultation with the affected Indigenous People.
  - (ii) The measures, including those additional required to address the identified impacts and the design modifications of the project to address both the adverse and positive effects.



- (iii) Recommendations for carrying out a process of free, prior and informed consultation to the affected Indigenous People, to involve them in the preparation , implementation, monitoring and evaluation of the project.
- (iv) Any formal agreement with the indigenous community involved or with the indigenous peoples' organizations.

**F. Outcomes/Deliverables**

- (a) A summary of the analysis of the Social Impact Assessment.
- (b) A detailed analysis of the Social Impact Assessment
  - (i) Legal and institutional framework
  - (ii) Baseline information
    - Socioeconomic survey
    - Asset inventory
    - Cultural impact assessment
  - (iii) Analysis of impact, risks and opportunities
    - Analysis of project alternatives
    - Impacts and opportunities
    - Risk assessment
- (c) Detailed maps of the area of influence of the project and the specific location of indigenous groups affected by the implementation of the project.
- (d) Either a preliminary version of the Indigenous Peoples Plan (IPP) or the Indigenous People Planning Framework (IPPF) observing the recommendations included. Follow the Annex A and B of the CAF's Indigenous Peoples Guidelines.
- (e) If required, actions plan for legal recognition of customary or traditional rights to lands and territories or ancestral domains, as well as for the management of collective property and rights.
- (f) Documentation of the consultation process.
- (g) A database with the information collected in the baseline survey of the Social Impact Assessment.
- (h) The delivery of the documents in printed and digital format.

**G. Additional TOR items to be defined based on the specific project conditions**

- (a) Contract duration. To be defined by the Project Team (PT) based on the characteristics and conditions of specific projects as well as the scope of the foreseeable impacts of the project.
- (b) Qualifications of the team. To be defined by the Project Team (PT) based on the characteristics and conditions of specific projects as well as the scope of the foreseeable impacts of the project.
- (c) Evaluation criteria. To be defined by the Project Team (PT) based on the characteristics and conditions of specific projects as well as the scope of the foreseeable impacts of the project.



## **IX. PEST MANAGEMENT**

### **IX.1. Guidelines**

1. These guidelines aim to ensure that the environmental and health risks associated with pesticide use, in the context of a project development, are minimized and managed by implementing a safe, effective, and environmentally comprehensive pest management. It is highly recommended to consider the use of biological or environmental control methods, prioritize the use of substances with less harmful impact on human health and the environment and reduce reliance on synthetic chemical pesticides.
2. These requirements are applicable where, in the perspective of a project development, the use of pesticides may affect agriculture or public health.
3. These guidelines and procedures shall be applied to projects in all CAF's member countries and will supersede the national environment and social assessment policies in case that the later do not meet the requirements of them.
4. Implement the Integrated Pest Management (IPM) and/or the Integrated Vector Management (IVM) approaches for agricultural projects and public health projects respectively, where the project activities include pest management. Promote reduction of reliance on synthetic chemical pesticides and verify the inclusion of the assessment and management of pest topics (including impacts and risks) in the Environmental and Social Assessment processes. IPM and IVM practices involves the coordinated use of pest and environmental information along with available and demand-driven pest/vector control methods, including cultural practices, ecologically-based biological, genetic, environmental and, even chemical means to prevent unacceptable levels of pest damage.
5. In the context of a project development, shall be implement pesticides procurement controls shall be implemented in order to: (i) consider the assessment of the nature and degree of associated risks, the proposed use and intended users, when supporting pesticides procurement choices and decisions. (ii) Not allow the procurement or use of formulated products included in World Health Organization (WHO) Classes IA and IB, or formulations of products in Class II, unless there are proved and adequate restrictions to prevent use or access to employees and others without the necessary training and/or the proper equipment. (iii) Not allow the procurement or use of pesticides and other chemicals specified as persistent organic pollutants identified under the Stockholm convention, (iv) Implement the corresponding measures provided in the Rotterdam Convention in relation to Prior Informed Consent (PIC) for chemicals included in the list of products subject to the PIC procedure. To handle, store, apply and dispose of pesticides, follow the recommendations and minimum standards as described in the United Nations Food and Agriculture Organization (FAO) International Code of Conduct on the Distribution and Use of Pesticides (Rome, 2003) and its supplementary technical guidelines. Pesticides procurement includes always the appropriate protective and

application equipment that permits to execute the pest management activities with well-defined and minimal risk to health, environment and livelihoods.

6. If required, should be promoting policy reform and institutional capacity development should be promoted to: (i) improve the regulation and monitoring of the distribution and use of pesticides and (ii) to reinforce the implementation of integrated pest management and integrated vector management.

7. The draft mitigation plans shall be disclosed in a timely manner, before appraisal, in a place and/or media accessible to key stakeholders, including project affected groups and CSOs, and in a form and language understandable to them. Disclose in the same way the final plans and its updates. The disclosure process shall ensure that the disclosed information is relevant, and that, on the basis of that information, a comprehensive vision of the project itself and its environmental and social implications are in place.

8. Note: Integrated Pest Management (IPM) is the coordinated use of pest and environmental information with available pest control methods to prevent unacceptable levels of pest damage by the most economical means and with the least possible hazard to people, property, and the environment. (<http://www.epa.gov/pesticides/food/ipm.htm>)

## **IX.2. Procedures**

9. Whenever the Project Team (PT), during the project screening phase, recognizes the project includes potential pest management issues, that may affect agriculture or public health, the PT starts the planning activities defined in this operational procedure.

10. All through the project planning and development processes, the PT ensures the required advice and support from CAF's Legal Counsel Office and CAF's Environmental Division.

11. The PT Communicates the Project Proponent (PP) the requirements of CAF's Pest Management Guidelines, its procedure (the present one) and its Annex.

12. The PT Reviews with the PP its policies and institutional and legal arrangements for Pest Management.

13. The PT Agrees with the PP the manner the Pest Management Guidelines will be implemented under the project.

14. The PT discusses any technical assistance to be provided to the PP.

15. If the project includes potential pest management issues, to carry out the screening phase, The PT verifies the PP uses personnel with qualified technical expertise on pest management, with adequate capability on Integrated Pest Management.

16. The PT, assisted by qualified technical expert(s) on pest management, verifies that, under PP responsibility, the global approach of the pest management project, program, plan(s) and/or set of related activities:

- (a) Satisfy recognized and tested principles of Integrated Pest Management or Integrated Vector Management, such as, but not limited to:
  - (i) Measures for prevention and/or suppression of harmful organisms;
  - (ii) Tools for monitoring;
  - (iii) Threshold values as basis for decision-making
  - (iv) Non-chemical methods to be preferred
  - (v) Target-specificity and minimization of side effects
  - (vi) Reduction of use to adequate levels
  - (vii) Application of anti-resistance strategies
  - (viii) Records, monitoring, documentation and check of success.
- (b) Includes the review, discussion and selection of combined management approaches, to increase pest management effectiveness.

17. The PT verifies that the project Environmental and Social Assessment implemented by The PP, includes a Pest Management component, and that such component assessment fulfills the requirements of CAF's Pest Management Guidelines, its annex (Generic TOR for the Pest Management Component of the Project Environmental and Social Management Plan-ESMP), and this procedure.

18. The PT verifies that the final scope and the level of detail of the Terms of Reference (TOR) for the Pest Management component of the Project Environmental and Social Management Plan are adequate to the project nature, dimensions, risks, complexity and needs and that those final scope and level of detail have been reviewed and authorized by the PT's pest management specialist.

19. The PT verifies that the Pest Management component of the project ESMP, based on the pest management issues identified: (i) implements an appropriate process of risks and impacts identification, analysis and evaluation; (ii) includes appropriate alternative designs or mitigation measures to be included in the pest management component of the ESMP.

20. The PT verifies that, in the preparation of the Pest Management component of the project ESMP, both, the review and analysis of: (i) alternatives designs for the required pest management; and (ii) the pest management mitigation measures shall prioritize:

- (a) The reduction of reliance on synthetic chemical pesticides.
- (b) Biological or environmental control methods (if applicable); such as, but not limited to:
  - (i) Application of different Cultivation Practices;
  - (ii) Use of Natural Enemies Predators and pathogens;
  - (iii) Use of Bio pesticides;
  - (iv) Application of Birth Control;

- (v) Use of Insect Sex Attractants, pheromone;
- (vi) Use of Chemical alternatives to pesticide;
- (vii) Education and information;
- (c) A safe, effective and environmentally friendly performance of the project or pest management component of the project.
- (d) An environmentally comprehensive review of pest management issues and mitigation measures for to them.

21. In case the project includes pesticides procurement or is related to pesticides procurement, the PT verifies the PP implement adequate pesticides procurement controls in order to:

- (a) Reduction of reliance on synthetic chemical pesticides.
- (b) Assess the nature and degree of associated risks, the proposed use and intended users, when supporting pesticides procurement choices and decisions.
- (c) Not allow the procurement or use of formulated products included in World Health Organization (WHO) Classes IA and IB, or formulations of products in Class II, unless there are proved and adequate restrictions to prevent use or access to employees and others without the necessary training and/or the proper equipment.
- (d) Not allow the procurement or use of pesticides and other chemicals specified as persistent organic pollutants identified under the Stockholm Convention.
- (e) Implement the corresponding measures provided in the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (PIC) included in the list of products subject to the PIC procedure.

22. In relation to pesticides handling, storage, application and disposal, within the project, the PT team:

- (a) Verifies that the PP prepare, implement, procedures that follow the recommendations and minimum standards as described in the United Nations Food and Agriculture Organization (FAO) International Code of Conduct on the Distribution and Use of Pesticides (Rome, 2003) and its supplementary technical guidelines. The implementation of these procedures shall be monitored and evaluated on a regular basis by the PP.
- (b) Verifies that within pesticides procurement the PP includes always the appropriate protective and application equipment that permits to execute the pest management activities with well-defined and minimal risk to health, environment and livelihoods.
- (c) Note. PT verification shall be adequately documented.

23. It is PT's responsibility to assess if the legal and institutional framework applicable to the project allows the satisfaction of the requirements of CAF's Pest Management Guidelines (when applicable). The PT, assisted by skilled technical expert(s), reviews, assesses and discusses with the PP the feasibility, convenience and options to promote and bring to completion policy reform and institutional capacity

development in order to: (i) improve the regulation and monitoring of the distribution and use of pesticides; and (ii) reinforce the implementation of integrated pest management and integrated vector management.

24. Pest Management Plan.

- (a) As, IPM (Integrated Pest Management) and IVM (Integrated Vector Management) are practices that involves the coordinated use of pest and environmental information along with available and demand driven pest/vector control methods, including cultural practices, ecologically-based biological, genetic, environmental and, even chemical means to prevent unacceptable levels of pest damage, in some cases the use of these practices in the context of the project nature leads to the development of a pest management plan.
- (b) If a Pest Management Plan is to be developed for the planned project, the Pest Management component of the project ESMP shall be integrated into the Pest Management Plan.
- (c) The pest management plan is a comprehensive plan, that can be developed for projects where when there are significant pest management issues like:
  - (i) New land-use development or changed cultivation practices in an area;
  - (ii) Significant expansion into new areas;
  - (iii) Diversification into new crops in agriculture;
  - (iv) Intensification of existing low-technology systems;
  - (v) Proposed procurement of relatively hazardous pest control products or methods;
  - (vi) Specific environmental or health concerns;
  - (vii) The proposed financing of pest control products represents a large component of the project.
- (d) A pest management plan conforms to CAF's Pest Management Guidelines and is based on on-site evaluations of local conditions conducted by appropriate technical specialists with experience in participatory IPM.
- (e) The first phase of a pest management plan consists of an initial survey to identify the main pest problems and their contexts (ecological, agricultural, public health, economic, and institutional) and to define broad parameters, and is brought to completion as part of project planning, before the appraisal (where it is also evaluated).
- (f) The second phase of a pest management plan comprises the development of specific operational plans to address the pest problems identified; this phase is regularly carried out as a component of the project itself.
- (g) As suitable, the pest management plan stipulates procedures for screening pest control products.
- (h) Depending on the project context, the pest management plan may consist of pest control product screening only.
- (i) Note: When considerable quantities of highly toxic pesticide materials for use under the project are transported or stored, a hazard assessment may be suitable.

25. Screening of Pest Control Products
  - (a) When a project finances pest control products, pest control product screening is necessary.
  - (b) The control product screening establishes 1. an authorized list of pest control products approved for financing; 2. a mechanism to ensure that only the specified products will be procured with project/CAF-GEF funds.
  - (c) Screening with no pest management plan will be considered appropriate only if the following conditions are met altogether:
    - (i) Expected quantities of pest control products are not significant as health or environmental impacts;
    - (ii) No significant environmental or health concerns related to pest control must be addressed;
    - (iii) The project will not introduce pesticide use or other nonindigenous biological control into an area, or significantly increase the level of pesticide use;
    - (iv) No hazardous products will be financed.
26. While project planning process advances, the PT is responsible for starting and updating, in the Project Concept Document (PCD) and in the Project Information Document (PIF), a summary of the available information on the main perspectives to address pest management problems.
27. Review and Disclosure. Once the PT has officially received the draft mitigation plan (Pest Management component of the ESMP) or the pest management plan (which, if applicable, includes the Pest Management component of the ESMP and the IPM/IVM components), from PP, PT reviews and verifies:
  - (a) Its full compliance with CAF's Pest Management Guidelines, its Annex and this procedure.
  - (b) The disclosure of the draft mitigation plan (Pest Management component of the ESMP), before appraisal, has been made at an accessible place and accessible to key stakeholders, including project affected groups and CSOs, in a culturally appropriate form, manner, and language;
  - (c) That the disclosed information is relevant, and that, on the basis of that information, a comprehensive vision of the project itself and its environmental and social implications are in place.
  - (d) The plan(s) is (are) acceptable as the basis for project appraisal.
  - (e) Note: Once the PT has approved the draft mitigation plan, the PT verifies it has been accessible to the public as stated in CAF's Public Involvement Guidelines (included in the CAF-GEF Projects Management Manual).
28. For project appraisal, the PT is responsible for:
  - (a) If required, and based on project nature, dimensions, risks, complexity and needs, include appropriate pest management specialists for appraisal;

- (b) recording in the Project Appraisal Document/Project Document (PD) pest management concerns arising from the ESA and any proposed project interventions pertinent to pest management;
- (c) Verifying reviewing and approval of PD and its annexes from CAF's Environmental Division;
- (d) Reflecting the significant elements of the pest management measures in the legal agreements of the financing contract.

29. Contract agreements and disclosure. Once it is verified that the Loan Agreement provides for the PP's obligation to implement the relevant Plan(s) and the Loan Agreement on the final plan(s) and the project have been approved, the PT makes the PD and the final instrument(s) available to the public in accordance with CAF's Public Involvement Guidelines (included in the CAF-GEF Projects Management Manual). Also the PP makes the documents available to the affected groups, key stakeholders and CSOs at a locally accessible place and in a culturally appropriate form, manner, and language, as it is stated above for the draft plans (paragraph 27 above).

30. During project implementation, the PT supervises:

- (a) PP's inclusion of adequate technical expertise to bring to completion the provisions of the Loan Agreement.
- (b) The implementation of the relevant legal covenants related to pest management and its plan(s) (if applicable).
- (c) Note: In case the plan(s) are not being implemented as planned, the PT discusses the items with PP and agrees with him on corrective actions.

31. Contingent on the nature and complexity of the pest management and pesticide-related aspects (which were confirmed at appraisal) supervision assignments may need the PP, and even the PT, includes appropriate technical specialists. This requirement is mirrored in the supervision plan.

32. Once the project has been completed, the PT brings to completion the Final Report (FR) to evaluate:

- (a) The environmental impact of pest management practices supported or promoted by the project.
- (b) The degree of stakeholders, affected groups and CSOs participation in the project cycle;
- (c) The impact of the project, positive and adverse (improvement of pest management practices according to the criteria that define the IPM approach);
- (d) The achievement of the objectives of the relevant plan(s), as pertinent;
- (e) Learned lessons for future operations related to pest management.

33. In case the Final Report evaluation indicates the objectives of the relevant plan(s) may not be accomplished, the PT assesses the adequacy of the pest management measures and may propose a future plan, including, as convenient, continued supervision by CAF.



### IX.3. Annexes

#### IX.3.1. Annex A. Generic Terms of Reference (TOR) Components and Content of the Pest Management Environmental and Social Management Plan (PM-EMP)

##### A. Background

- (a) Introduction.
- (b) Project Description.
- (c) EMP Context.
- (d) EMP Objectives.
- (e) Applicable Pest Management Policy and Safeguards.
- (f) Pest Management Regulatory framework (international, national, local).

##### B. Environmental Management

- (a) Environmental Management Structure and Responsibility.
- (b) Approval and Licensing Requirements.
- (c) Reporting.
- (d) PM-Environmental and Social Training, Education and awareness. Among the following items, select and/or add those pertinent to the project evaluate them and propose a management measurement to mitigate their impacts:
  - (i) Lack of awareness
    - Inadequate training;
    - Lack of appropriate and timely information about the proper use and management of pesticides;
    - Lack of appropriate information about pesticides and its impacts on health and the environment.
    - Inappropriate use of Personal Protective Equipment (PPE);
    - Wrong notion that pesticides is the best solution to pest problems;
    - Poor guidance about the safe use and handling of pesticides;
    - Lack of standard safety practice; etc.
  - (ii) Improper use of pesticides
    - Wrong mix of different types of pesticides;
    - Use of pesticides for unintended purposes;
    - Use of pesticides containers for domestic uses;
    - Wrong trade and Sectorial motives, etc.;
    - Pesticides use exceeding recommended doses.
  - (iii) Weak enforcement
    - Absence or late issuance of regulations and guidelines;
    - Inadequate implementation of the issued regulations;
    - Weak monitoring or a follow-up activities;
    - Lack of well-defined incentive or punitive structure, etc.;



- (iv) Lack of Integration; weak institutional setup; and poor networking and exchange of information among key stakeholders.
  - (v) Obsolete pesticide accumulation- large quantities of obsolete pesticides can be accumulated due to:
    - Inaccurate prediction of the occurrence of pests;
    - Poor pesticides management;
    - Unsuitable products or packaging;
    - Banning of products;
    - Donations or purchases in excess or requirements;
    - Commercial interest of the pesticide industry and hidden factors;
    - Weak institutional framework; Seizure of obsolete or banned pesticides by the customs or pesticide trade control authorities.
  - (vi) Disposal problems
    - Legal/institutional framework;
    - Facilities, disposal services;
    - Costs;
    - Others;
  - (e) Emergency Contacts and Response
- C. Implementation.
- (a) Risk Assessment
    - (i) Impacts on water
      - The death of fish and also have other ecological impacts;
      - change in the organoleptic properties of water (its odor, taste);
      - Adverse effects on aquatic ecosystems.
      - Impacts that are transmitted along the food chains, and accumulate in food products;
      - Direct toxic action (acute or chronic toxicity) and indirectly (dimensioning of the content of oxygen dissolved in the water, a change in the chemical composition of water, extermination of water insects, etc.);
      - Adverse effects on wetlands aquatic flora, etc.;
      - Pesticide residues that affect water quality;
      - Impact on water sources used to supply aqueducts.
    - (ii) Impacts on the air (indoor and outdoor air pollution)
      - Pesticides aerial application
      - Pesticides indoor application
      - Pesticides air pollution and impacts on surroundings.
    - (iii) Impacts of pesticides in the soil
      - Soil pollution (Short, medium and long term impacts).
      - Ground water pollution (Short, medium and long term impacts).
      - Impacts on high ecological importance soils
      - Pesticides use on soils previously affected by pesticides use.
    - (iv) Impacts on human health

- Acute effects, which appear immediately or very soon after exposure and
- Chronic effects, which may manifest themselves many years later and whose origins are often difficult to trace.
- Headache, irritability, dizziness, loss of appetite, nausea, muscle twitching, convulsion, loss of consciousness, and possible death.
- Carcinogenic effects,
- Neurobehavioral effect,
- Reproductive deficits,
- Diabetes and others.
- (v) Impact on wild life and livestock (non-target species)
  - Population decline through the use of pesticides over large areas;
  - Reproductive effect such as eggshell thinning , deformity and birth defects;
  - Metabolic changes;
  - Tumors and cancer;
  - Behavioral changes;
  - Abnormally functioning thyroid glands;
  - Sub-lethal or lethal poisoning of mammals and other vertebrate;
  - Through extinction of the pest population -losses of food sources for many birds; particularly migratory species;
  - Toxicity to bees which are pollinators, with adverse effects on the production of certain crops;
  - Long-term negative effects on the reproductive processes of birds of prey and aquatic species of certain insecticides e.g. DDT);
- (vi) High mobility and biological amplification of persistent pesticides.  
Impacts on natural habitats and critical natural habitats, protected areas and forest ecosystems
- (vii) Socio-economic impact
  - Positive socio-economic impacts include: Increased income and/or security of yield for farmers; increased employment opportunities; and improved food supply.
  - Negative socio-economic impacts include: Risk of human contamination to dealers, formulators, applicators and farmers; Health risks and associated economic impacts from contamination of surface; and ground potable water supplies contaminated by pesticides containing wastes; Acute health effects resulting from contamination of food and water stored in pesticide containers, from the transportation of pesticide and food stuffs in the same vehicle; Health risks from pesticide residues remaining on a crop after application; Loss of revenue from cash crops if these cannot be sold on world markets because of illegal residue levels; Crop losses due to the emergence of new and/or more resistant pests (insects, plant pathogenic fungi, bacteria), spread of disease vectors and emergence of a 'pesticide treadmill', whereby farmers are obliged to

pay more and more for a control program that does less and less good.

- Note: Short term benefit long term side effect.

(b) Environmental and Social Pest-Management Activities and Controls

(i) Use of Environmental Management Tools

- Integrated Pest Management (IPM) uses combinations of approaches to control pest. The approaches include cultural, mechanical, biological and chemical controls in an integrated manner. In this approach each crop and its pest are evaluated as an ecological system. The overall aim of IPM is not to eradication of pest population but maintenance at just below economically damaging levels.
- Integrated Vector Management (IVM), Is a tool for integrated disease prevention and management. Integrated vector control methods include the use of alternatives non-pesticide measures, similar to environmental management, targeted pesticide use and alternative pesticide use.
- Note: Integrated Disease Management (IDM) includes a mix of disease control elements, such as vaccines, case detection and drug treatment, public education campaigns, and integrated vector management.
- Cleaner production (CP) is defined by UNEP as the continuous application of an integrated preventive environmental strategy to processes and products to reduce risk to humans and the environment.
  - ✓ For production processes CP includes conserving raw materials and energy, eliminating toxic processing materials and reducing the quantity and toxicity of all emissions and wastes before they entered into the production process.
  - ✓ For products, the approach focuses on the reduction of environmental impacts along the entire life cycle of a product that is from raw materials extraction to the ultimate disposal of the product.
  - ✓ The order of preference in decision making on design and operation of CP strategies can follow the following steps: prevention of generation of waste, recycling, treatment, safe disposal.
  - ✓ Note: Cleaner production does not always require new technologies and equipment. Some examples of practical cleaner production techniques include Good housekeeping and operating procedure, material substitutions, etc.

(ii) Application of different Cultivation Practices. Some of the useful practices in crop cultivation are:

- Rotating crops- changing crops planted in a field each year so that one crop's pests don't have time to multiply uncontrollably;
  - Planting rows of hedges or trees in and around crop fields. These hinder insect invasions and provide habitats for their natural enemies;
  - Adjusting planting times- ensure that major insect pests either starve or get eaten by their natural predators;
  - Growing crops in areas where their major pests do not exist;
  - Switching from monocultures to modernized versions of intercropping, agroforestry, and poly-culture. Plant diversity helps control pests;
  - Removing diseased or infected plants and stalks and other crop residues that harbor pests;
  - Using photodegradable plastic to keep weeds from sprouting between crop rows;
  - Using denser planting patterns. This crowds out weeds among some crops;
  - Mowing weeds instead of using herbicides;
  - Using vacuum machines that gently remove harmful bugs from plants.
- (iii) Building in Resistance. Plants and animals that are genetically resistant to certain pest insects, fungi, and diseases can be developed. However, needs careful considerations.
- (iv) Use of Natural Enemies Predators and pathogens. Disease-causing bacteria and viruses can be encouraged or imported to regulate pest populations.
- (v) Use of Bio pesticides. Use of Botanicals such as extract from neem trees, Microbes for example, *Bacillus thuringensis* (Bt) toxin.
- (vi) Application of Birth Control. Males of some insect pest species can be sterilized by then released in hordes in an infested area to mate unsuccessfully with fertile wild females.
- (vii) Use of Insect Sex Attractants, pheromone. Insect sex attractants/pheromone can be used to lure pests into traps or to attract their natural predators into crop fields (usually the more effective approach).
- (viii) Use of Chemical alternatives to pesticide. Specialist opinion is required.
- (ix) Education and information. Educating farmers, consumers, policy makers, and company's owners is critical to help reduce improper production, unnecessary pesticide use and resulting economic loss as well as risks to human health, wildlife and ecosystems.
- (x) Implementation of Environmental Management System (EMS). Environmental Management system is an integrated approach to overall management system designed based on findings of environmental issues involving, in our case sustainable pesticide management. As an inbuilt system, EMS as appropriate may defines or includes:
- The environmental policy of the organization;

- The necessary organizational structure and responsibilities;
  - The required human resources and training needs;
  - Monitoring activities, including defined methods,, parameters and time frame for action;
  - Reporting and communication strategies;
  - Education, awareness and information;
  - Policy on occupational health and safety;
  - Practices and procedures for good housekeeping; etc.
- (xi) Other important consideration for sustainable pesticides management. The following are important aspects of pesticides management that require special safety considerations at various stages of the project life cycle. These include:
- (xii) Choosing site. Site should be:
- Far away from residential, and ecologically sensitive areas,
  - Located in an area not prone to flooding,
  - Inaccessible to any nearby surface water source or located in an area that has a high water table, etc.
- (xiii) Labeling procedure. Pesticide labeling shall satisfy the Globally Harmonized System of Classification and Labeling of Chemicals (GHS), created by the United Nations.
- (xiv) General packaging requirement
- Pesticides product and their formulations shall be packed in suitable, clean and dry containers which will not be affected by the product they contain (Consult best practices and Packaging sizes for solid pesticides available in the national market).
  - The container for the product shall be of sufficient strength and shall provide all the necessary protection against compaction, atmospheric moisture, oxidation, loss by evaporation and contamination to ensure that the product suffers no deterioration under normal conditions of transit and storage, etc. (Consult best practices).
- (xv) Storage requirements
- All pesticide storage areas must be securely fenced to prevent unauthorized access,
  - All doors and gates should be efficiently locked or padlocked, In case of fire, the address of the person(s) holding the keys should be fixed to the gate or door, etc.
  - The building:
    - ✓ Should be constructed of fire-resistant materials such as concrete block or metal,
    - ✓ Should be well ventilated preferably by natural wind flow to minimize temperature increases and keep fumes from accumulating,
    - ✓ Should be surrounded by a ditch to keep any liquid spills from draining away,

- ✓ Should be constructed to allow tight security. (Locking doors, barred windows),
- ✓ Should be well lit by sunlight or electric lights,
- ✓ Have a water supply for spill decontamination, etc.
- Managing pesticide stores:
  - ✓ “First in first out” procedure should be followed to minimize the deterioration of pesticides and pesticide containers,
  - ✓ Different types of pesticides should be stored separately to prevent possible cross- contamination. Herbicides should never be stored next to insecticides and fungicides as cross-contamination is likely,
  - ✓ Pesticide should be stored on pallets to avoid dampness, this is especially true for dry formulations such as dusts, granules and wet table powders which will damp and lose their efficacy if they get wet,
  - ✓ No food, drink or animal feed should be stored in pesticide store,
  - ✓ Protective clothing should not be stored in the same room with pesticide,
  - ✓ All pesticides should be labeled, etc.
- (xvi) Transportation requirements. The transportation of pesticides shall satisfy the follow United Nations Recommendations on the Transport of Dangerous Goods. Additionally the following aspects must be considered:
  - Use well maintained vehicles to avoid accidents and delays,
  - Use open vehicles covered with tarpaulins to decrease any possible buildup of heat or vapors and to protect the pesticide from rain,
  - Make sure that drivers are aware of the dangers associated with the materials they are carrying on their vehicles,
  - Vehicles transporting pesticides should never be left unattended,
  - Containers should be well secured in the bed of the vehicles with ropes, chocks, etc.
  - Never transport leaking or badly deteriorated containers,
  - Do not transport food, beverages or animal feed together with pesticides,
  - Load and unload pesticides very carefully to minimize the chance of dropping containers. Pesticides can be off-loaded by rolling containers onto used tyres, etc.
- (xvii) Pesticide application methods. To achieve the best result, it is essential that the right amount of pesticides should reach the target. Too much chemicals can damage crops and cause excessive chemical pollution on the environment. Too little is also will not eliminate the pest. Therefore accurate matching of different chemicals and spraying techniques to crop and the environment is very important. There are a variety of techniques for the application of different pesticides depending up on the type of pesticide, formulation and size.

- Type of Sprayer. The name given to the equipment used for applying pesticide is sprayer (sprayer system). A wide range of spraying equipment is available on the market to suit small, medium and large targets. The most common sprayer equipment used by small-scale farmers are:
  - ✓ Manual hydraulic knapsack sprayer
  - ✓ Ultra Low Volume(ULV)sprayer
  - ✓ Motorized Knapsacks Mist Blowers
  - ✓ Vehicle Mounted Sprayer
- Aerial application. Pilot should hold the appropriate license /permit/authority to apply the particular pesticide and be able to demonstrate his competence in the use of the pesticide chosen with respect to:
  - ✓ Suitability for the particular operation,
  - ✓ Application rate,
  - ✓ Effects on the target area,
  - ✓ Hazards to man, and effects they may have on non-target vegetation and animals, and special precautions to be taken.
- (xviii) Health and Safety Measures. Before starting mixing, loading and applying pesticides, and after understanding the label directions, make certain you have taken the following precautions:
  - Have detergent or soap and an adequate supply of water available,
  - Know the early symptoms of poisoning for the pesticide you are using,
  - Know the first aid procedures and make certain that materials and supplies are available,
  - Be certain that materials are available to handle spills,
  - Make certain that all equipment is functioning properly,
  - Do not work alone; be sure help is available if you get into trouble,
  - Have all the recommended protective clothing and equipment.
  - Double-check that the respirator fits properly and has the correct canister cartridge,
  - Never eat, drink, smoke, or go the bathroom while working with pesticides, without first washing your hands,
- (xix) Mixing and Loading
  - To begin mixing and loading.
    - ✓ Reread the label and follow the directions; pay special attention to the warnings and precautions,
    - ✓ Make sure only authorized mixers, loaders and/or supervisors are in the mixing and loading area. No other people or animals should be there,
    - ✓ Work only in a well-ventilated, well-lighted area,
    - ✓ Pesticide containers should be in a secure position when opening, to prevent any spillage. Be sure everyone is wearing the proper personal protective device,



- ✓ Mix and pour concentrated pesticides down low, preferably below waist level. Never pour pesticides at eye level. A spill or splash could be disastrous. Always remove clothing and wash yourself and your clothing thoroughly, immediately (within two minutes), if pesticides are spilled or splashed on you,
- ✓ Stand with your back to the wind -- upwind -- so that any fumes or dusts are blown away from you,
- ✓ Pour the pesticide into water, never water into the pesticide,
- ✓ If stirring is necessary, use a stir stick, never your hands,
- ✓ Mix and load on a concrete slab where spills can be contained. Avoid mixing or loading near surface water or near the mouth of well,
- ✓ Never pour pesticide directly into a spray tank. Always mix and dilute in a small container,
- ✓ When pouring, keep your head well above the spray tank, to prevent pesticides from splashing in your face. Protect your eyes with splash-proof goggles,
- ✓ Never overflow a spray tank. The cleanup could be an all-day, all-night task (costly and dangerous, etc.).
- During Mixing and Loading. Mixing and loading pesticides are among the most dangerous tasks involving work with these products, because it is at this time that people are working with open containers of concentrated pesticides. For this reason:
  - ✓ Perform this activity after being well-informed of the dangers,
  - ✓ Under the supervision of a properly certified, licensed applicator whenever handling "Restricted-Use Pesticides."
  - ✓ Mixing and loading should never be done without a full understanding of the pesticide label and with the use of all recommended personal protective equipment.
  - ✓ The label should clearly identify the dangers involved and
  - ✓ The precautions to follow may indicate the signs and symptoms of poisoning and recommend first aid practices, should one be exposed to the product.
- After the mixing-loading task has been completed
  - ✓ Securely close pesticide containers immediately after use. Return unused pesticide to its proper storage,
  - ✓ Clean up all spills, no matter how small the amount,
  - ✓ Wash mixing and loading pails, measuring devices and stirring equipment or tools in strong detergent water, rinse in clear water, air-dry and store,
  - ✓ Wash your personal protective equipment in detergent, rinse and hang to air-dry,
  - ✓ The wash and rinse water used in steps 3 and 4 can best be disposed of by pouring it into the spray tank. Do not overfill the spray tank; leave room for the rinse water,



- ✓ Remove your clothing and launder separately with heavy-duty liquid detergent and hot water. DO NOT USE BLEACH as it could cause a dangerous chemical reaction. Line-dry the clothing where it is exposed to sunlight,
  - ✓ Take a hot shower using detergent-type soap. Do not forget to wash your hair. Put on clean clothing, etc.
- (xx) During and after application
- During application
    - ✓ Wear recommended protective clothing, even if it is not or uncomfortable, if a nozzle gets clogged do not try to blow it out with your mouth; use a fine wire or stick,
    - ✓ Never eat, drink or smoke,
    - ✓ Avoid pesticide application:
      - ✓ When the wind velocity is greater than 4m/second,
      - ✓ During hottest part of the day,
      - ✓ If rain is expected within next 12 hours,
      - ✓ If pesticide spills on workers, etc.
  - After application
    - ✓ Make sure that you have used all the pesticides in your sprayer,
    - ✓ Never leave empty containers at the application site. Store them until they can be properly disposed-off,
    - ✓ Do not re-enter or allow others to re-enter the treated area before 24 hours after the application,
    - ✓ Remove your protective clothing and wash them separately from all other clothes,
    - ✓ Wash your body with soap and water,
    - ✓ Do not wash up in a river stream or lake, as this contaminates the water source,
    - ✓ Evaluate the effectiveness of the treatment,
    - ✓ Keep all necessary records of the treatment operation, etc.
- (xxi) Action in case of pesticide poisoning
- Pay attention to breathing, give artificial respiration if required.
  - Remove patient from contaminated area.
  - Act calmly; keep patient comfortable and safety at rest
  - Remove contaminated clothing, wash exposed skin and eyes, thoroughly.
  - Use large quantities of water to remove pesticide from the body. If no water is available, rub or gently wipe the skin with clothes or paper which could then be destroyed.
  - Lay patient on his side.
  - If material is highly toxic and has been swallowed, induce vomiting (only in conscious patients)
  - Seek medical advice
- (xxii) Instruction of cleaning up spills and leaked pesticides

- First read the instructions on the product of label or material safety data sheet.
  - Unauthorized persons should be kept away from the contaminated area.
  - The store should be ventilated immediately as much as possible.
  - Work in team of at least two persons. All person involved in the clean –up were appropriate protective clothing , Eyewash , soap and plenty of water should kept at hand.
  - In the event of leakage: contain the leaking drum. In an over drum, or pump its contents into another drum. As a very temporary “first aid” measure, it is often possible to stop leakage by rolling the drum into a position so that the leak is on top.
  - Mop up the leaked product with a drying agent or desiccant material (special soil control material sawdust, earth or lime), sweep up and pack the material .Lay a ring (small dike) of absorbent material around the contaminated area. Wet the area with a detergent solution. (e.g 10% sodium carbonate solution , or 5 percent caustic soda solution), into the ring of absorbent material. Remove the material after all liquid has been absorbed. Repeat if necessary. Clean equipment with detergent solution.
  - Contaminated materials (e.g. soil, soft floor material, absorbent materials) are regarded as hazardous waste and should be carefully packed and properly labeled for disposal or temporary storage until disposal can be carried out.
- (xxiii) Disposal. Products that cannot be used for their intended purpose (s) or permitted alternatives, and that cannot be reformulated to become useable again, should be considered for disposal.
- (xxiv) Treatment/Disposal Methods. Disposal methods that may be acceptable, depending on the type of product and local circumstances include:
- High temperature incineration,
  - Chemical treatment,
- (xxv) Disposal methods unsuitable for bulk quantities of pesticides are:
- Open burning,
  - Burying or landfill disposal,
  - Discharge to sewers,
  - Solar evaporation,
  - Land farming superficial application,
  - Deep well injection, etc.
- (xxvi) Promising new developments in waste disposal that can be used for pesticides waste disposal:
- Plasma energy pyrolysis,
  - Gas-phase chemical reaction,
  - Molten salt oxidation process,
  - Metallurgical-based treatment process (molten metal method).
- (xxvii) Checklist on pesticides production and use. The following checklist could guide people involved in pest management and control.

- Are chemical pesticides suggested for the project?
- Have all pest management options been considered?
- Are alternative pesticides available that are relatively safer to use?
- Are there plants with pesticides properties, which could be used?  
Are they locally available?
- Are the pesticides to be used in the project recommended for use on these particular crops by the manufacturers, by the government?
- Are similar pesticides being used locally for health purposes, such as malaria control?
- Can a species-specific pesticide be used?
- Does the project design recognize the possibility that target species will develop resistance to the pesticide and larger quantities may be required each year to control the pest?
- It is possible to change pesticides to reduce the likelihood of target species developing resistance to an important pesticide? If so, can a schedule for implementation be developed?
- Is the pesticide persistent in soil? Will it tend to accumulate in the soil?
- Might the pesticide suggested for use kill beneficial soil microorganisms?
- Is there a risk for adverse effects on non-target animals (such as pollinators, other beneficial insects, birds etc.) and plants what mitigation measures are considered?
- Are methods of handling, application, storage and disposal of pesticides considered strictly to avoid risks on humans and the environment?
- Will the environmental conditions (climate, wind conditions, rainfall, and humidity) be taken into account?
- Are there any likely impacts of pesticides on flora and fauna and vulnerable ecosystems?
- Does the pesticide tend to bio-accumulated (biologically increase) or biomagnified (biologically grow) in organisms? If so, which organisms would it affect in the immediate area, if any?
- Is there a body of water nearby? If so, are people downstream highly dependent upon aquatic resources such as fisheries, aquaculture, and drinking water which might be contaminated by an accidental discharge of pesticides because of the project? What effect would contamination of the water have on health, finances, and other?
- Is it likely that erosion will carry pesticides into downstream water bodies? If so, could such pesticides affect fisheries, aquaculture projects, and domestic water use?
- Have adequate precaution been taken to protect workers from pesticide poisoning during transport, storage, and application of pesticides? Are instructions available in local languages with culturally sensitive symbols?

- Can pesticide applications be timed to avoid rapid loss to wind and rain?
- Is it possible to develop plans that can be put into effect easily and simply in case of an emergency, such as accidental pesticide pollution or physical contact?
- What alternative project designs could be used at the site to minimize environmental impacts from pesticide use?
- Will the environmental conditions (climate, wind conditions, rainfall, and humidity) increase the risk of spreading by air?

(c) Environmental and Social Pest-Management Plans or Maps

(d) Environmental and Social Pest Management Schedules

*D. Monitor and Review*

(a) PM-Environmental and Social Monitoring

(b) PM-Environmental and Social Auditing

(c) PM-Corrective Action

(d) PM-EMP Review

## **X. PHYSICAL CULTURAL RESOURCES**

### **X.1. Guidelines**

1. These guidelines aim to ensure adequate preservation of physical cultural resources (PCR) and the appropriate avoidance of their destruction or damage. The impacts on physical cultural resources resulting from project activities and their mitigating measures must fulfill these requirements, the recipient country's national regulations and/or its compromises under relevant international environmental treaties and agreements.
2. These requirements are applicable where, in the perspective of a project, its development, may affect PCR.
3. These guidelines and procedures shall be applied to projects in all CAF's member countries and will supersede the national environment and social assessment policies in case that the later do not meet the requirements of them.
4. During the environmental screening process, the following 2 types of projects are considered matter to the provisions of these guidelines: (a) projects related to significant excavations, demolition, movement of earth, flooding, or other environmental changes; and (b) projects located in, or in the vicinity of, a physical cultural resources site recognized by the proponent. Projects specifically designed to support the management or conservation of physical cultural resources are individually reviewed, and are expected to be also considered matter to the provisions of these guidelines.
5. As part of the project development process, the management of impacts on physical cultural resources shall be an integral part of the Environmental and Social Assessment (ESA) process (to be named PCR Management Component of the ESA). This includes the appropriate identification of PCR.
6. The ESA process include the analysis of feasible project alternatives that allow site selection and design to prevent, minimize or compensate for adverse impacts and enhance positive impacts on PCR. Project alternatives to be considered shall be feasible and allow a reasoned choice.
7. Within the PCR Management Component of the ESA process, (i) the documentation of the presence and significance of PCR, (ii) the assessment of the nature and extent of potential impacts on PCR, and (iii) the design and implementation of mitigation plans shall include the consultation with local communities and people, other relevant stakeholders, and adequate experts.
8. Within the PCR Management Component of the ESA process, a PCR management plan is developed to contain as minimum: (i) measures for avoiding or mitigating adverse impacts on PCR, (ii) procedures for managing "chance finds", (iii) if required, provisions on strengthening institutional capacity, and (iv) a monitoring plan. The PCR management plan shall be consistent with country's regulations.

9. When the project development may cause adverse impacts on PCR, the appropriate measures for avoiding/ mitigating impacts can range from full site protection to selective mitigation, including salvage and documentation, in cases where part or all of the PCR may be lost.
10. Financing projects whose scenarios could significantly damage PCR must be avoided as much as possible. In order to make their corresponding decisions based on significant information, and as part of the PCR Management Component of the ESA, field-based surveys supported by qualified experts, to evaluate PCR and appropriate mitigation plans, shall be considered and implemented.
11. Procedures for “chance finds” shall include a pre-approved management and conservation approach for materials that may be discovered during project implementation.
12. Disclose draft mitigation plan(s), the pertinent documentation of the consultation process and the results of the PCR assessment in a timely manner, before project appraisal, in an accessible place and/or media, and in a form and language(s) understandable to project affected groups, CSO and other key stakeholders. Disclose in the same way the final plan(s) and its updates. The disclosure process shall ensure that the disclosed information is relevant, and that, on the basis of that information, a comprehensive vision of the project itself and its environmental and social implications are in place.
13. In cases where consultations with relevant experts and/or authorities allows conclude the disclosure would compromise or jeopardize the safety or integrity of the involved PCR or would endanger its source of information, material relating sensitive aspects may be omitted from the ESA (ESIA)/PCR Management Component of the ESA report.
14. While developing the PCR Management Component of the ESA TORs, the project proponent consults, relevant experts, and relevant project-affected groups, to identify the likely physical cultural resources and to include them, if appropriate, in the PCR Management Component of the ESA process.
15. Note: According to World Bank OP 4.11 - Physical Cultural Resources: (i) Physical cultural resources (PCR) are defined as movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance. Physical cultural resources may be located in urban or rural settings, and may be above or below ground, or under water. Their cultural interest may be at the local, provincial or national level, or within the international community; (ii) PCR are important as sources of valuable scientific and historical information, as assets for economic and social development, and as integral parts of a people’s cultural identity and practices.

**X.2. Procedures**

16. During the environmental screening phase of the project, the Project Team (PT) verifies whether the project:
- (a) Is related to significant excavations, demolition, movement of earth, flooding or other environmental changes;
  - (b) Is to be located in, or in the vicinity of, a PCR site recognized by competent authorities of the Project proponent (PP);
  - (c) Is intended to support management of PCR.
  - (d) If the project includes any of the former three conditions, the present procedure shall be applied as early as possible during project planning.
17. All through the project planning and development processes, the PT ensures the required advice and support from CAF's Legal Counsel Office and CAF's Environmental Division.
18. Whenever a proposed project has been related to any identified potential PCR characteristic, as described in numeral 16 (a), (b) and (c), the PT:
- (a) Communicates the Project Proponent (PP) the requirements of CAF's Physical Cultural Resources Guidelines and of the present operational procedure;
  - (b) Asks the PP to report the pertinent requirements and procedures of the applicable legislation for identifying, assessing, mitigating and monitoring potential impacts on PCR and for managing chance finds;
  - (c) Reviews with the PP its policies and institutional and legal arrangements for PCR;
  - (d) Agrees with the PP the manner the PCR Guidelines will be implemented under the project;
  - (e) Discusses any technical assistance to be provided to the PP.
  - (f) Verifies that the project Environmental and Social Assessment (ESA) includes a PCR Management component (the PCR Management Component of the ESA), and that such component fulfills the requirements of CAF's Physical Cultural Resources Guidelines, its Annexes and this procedure, and that, as a result of the implementation of the PCR Management Component of the ESA, a PCR Management Plan is produced.
  - (g) As adequate, assists the PE in drafting the Terms of Reference (TOR) of the PCR Management Component of the ESA (see Annex A).
  - (h) Verifies that the PP identification of the possible presence of PCR has been done on the site (unless there is a justified exception), with the participation of the affected groups and qualified experts.
  - (i) Verifies that the draft TOR of the PCR Management Component of the ESA, prepared by the PP, identify and include the likely major PCR issues to be considered in that ESA.
  - (j) Verifies that the draft TOR of the PCR Management Component of the ESA, prepared by the PP, include adequate provisions for: (i) the on-site collection of



- baseline on PCR potentially affected by the project; (ii) the professional expertise required to bring to completion all the ESIA activities.
- (k) Verifies that the draft TORs of the PCR Management Component of the ESA, prepared by the PP, include adequate provisions for analyzing feasible project alternatives that allow site selection and design to prevent, minimize or compensate for adverse impacts and enhance positive impacts on PCR, or to verifying such project alternatives analysis has been done within the ESA process and that the analysis included PCR considerations.
  - (l) Verifies that the PP implements an adequate consultation process that includes, as pertinent: (i) meetings with project-affected groups; (ii) relevant authorities; (iii) relevant NGO's; (iv) corroboration of Physical Cultural Resources potentially affected; (v) documentation of PCR presence and significance; (vi) assessment of potential impacts; and (vii) exploring mitigation options. This consultation process informs both the drafting of the TORs of the PCR Management Component of the ESA and its implementation.
  - (m) Verifies that, as a result of the implementation of the PCR Management Component of the ESA, it is produced: (i) an inventory of PCR potentially affected by the project; (ii) adequate documentation of PCR presence and significance; (iii) the assessment of nature and extent of potential impacts on PCR; (iv) the confirmation that there are not scenarios that could significantly damage PCR, and that this confirmation is based on documented field-based surveys supported by qualified experts. If the confirmation is not obtained, the PT shall notify CAF's Legal Counsel Office and CAF's Environmental Unit its recommendation to avoid project financing decision.
  - (n) NOTE: the PT verifies the consultation process have been made in accordance with CAF's Public Involvement Guidelines (included in the CAF-GEF Projects Management Manual).

19. The PT assesses the PP's technical and management capacity (specific for PCR) to implement and monitor the proposed mitigating measures and to manage chance finds. If required, PT recommends capacity building actions and monitors them. For capacity building, the PT may consider: (i) information on physical cultural resources; (ii) on-site training; (iii) institutional strengthening; and (iv) inter-institutional collaboration;

20. The PT verifies that the PCR Management Plan includes: (i) adequate measures to avoid or mitigate any adverse impacts on PCR; (ii) a procedure for managing chance finds; (iii) the appropriate measures for strengthening institutional capacity for PCR management; and (iv) a monitoring plan to monitor the progress of the management plan activities.

21. While project planning process advances, the PT is responsible for starting and updating, in the Project Concept Document (PCD) and in the Project Information Document (PIF), a summary of the available information on the main items to address PCR problems and needs.

22. The PT verifies with the PP and appropriate experts (and PCR authorities, if pertinent) on whether disclosure of the findings of the PCR component of the EA, and/or



its PCR Management Plan would jeopardize the safety or integrity of any of the physical cultural resources involved or could endanger the source of information related to the physical cultural resources. In these cases, the pertinent information related to these matters may be omitted from the PCR Management / ESIA reports.

23. Once the PT has officially received the draft PCR Management Plan, from PE, PT reviews and verifies:

- (a) Its full compliance with CAF's Physical Cultural Resources Guidelines, and this procedure;
- (b) That the disclosure of the draft plan (if disclosure has been properly evaluated appropriate), before appraisal, has been made at an accessible place and accessible to key stakeholders, including project affected groups and CSOs, in a culturally appropriate form, manner, and language;
- (c) That the disclosed information is relevant, and that, on the basis of that information, a comprehensive vision of the project itself and its environmental and social implications are in place;
- (d) If the plan is acceptable as the basis for project appraisal; and
- (e) Note: Once the PT has approved the draft PCR Management Plan and has forwarded it to CAF's Environmental Division for its approval, and the draft instrument been approved, if disclosure has been appropriately evaluated, the PT verifies the draft instrument has been made accessible to the public as stated in CAF's Public Involvement Guidelines (included in the CAF-GEF Projects Management Manual).

24. For project appraisal, the PT is responsible for:

- (a) If required, and based on project nature, dimensions, risks, complexity and needs, including appropriate PCR management specialists for appraisal;
- (b) verifying that the findings and recommendations of the PCR component of the EA, including the PCR Management Plan, are satisfactorily mirrored in project design;
- (c) recording in the Project Appraisal Document (PD) PCR management concerns, findings and recommendations resulting from the ESA and also any proposed project interventions pertinent to PCR;
- (d) Verifying CAF's Environmental Division and CAF's Legal Counsel Office reviewing and approval of PD and its annexes;
- (e) reflecting the significant elements of the pest management measures in the legal agreements of the financing contract;
- (f) Confirming that the projected costs of the implementation of the PCR Management Plan are included in the project budget.

25. Contingent on the nature and complexity of the PCR management and related aspects (which were confirmed at appraisal), supervision assignments may need to include appropriate technical specialists. The PT verifies this requirement, if needed, is mirrored in the monitoring plan.

26. Contract agreements and disclosure. Once it is verified that the Loan Agreement provides for the PP's obligation to implement the relevant Plan(s) and the Loan Agreement on the final plan(s) and the project have been approved, if disclosure has been evaluated appropriate, the PT verifies the PD and the final instrument(s) have been made available to the public in accordance with CAF's Public Involvement Guidelines (included in the CAF-GEF Projects Management Manual). Also the PP makes the documents available to the affected groups, key stakeholders and CSOs at a locally accessible place and in a culturally appropriate form, manner, and language, as it is stated above for the draft plans (paragraph 23(b)).

27. During project implementation, the PT supervises: (i) PP's inclusion of adequate technical expertise to bring to completion the provisions of the Loan Agreement; (ii) The implementation of the relevant legal covenants related to PCR management and its plan(s) (if applicable).

28. NOTE: In case the plan(s) are not being implemented as planned, the PT discusses the items with the PP and agrees with him on corrective actions.

29. During project development, PT supervision activities includes monitoring the implementation of:

- (a) The physical cultural resources management plan;
- (b) The chance finds procedure;
- (c) The inclusion of chance finds measures in procurement documents, as proper;
- (d) The management of any chance finds;
- (e) The management of any other impacts on PCR that may happen during project development; and
- (f) The recording and documentation of significant findings in the Final Report (FR).

30. Once the project has been completed, the PT executes the Final Report (FR) to evaluate, as adequate:

- (a) The impact of the project, positive and adverse, and the environmental impact on PCR as a consequence of the project development;
- (b) The general effectiveness of the project's PCR cultural resources mitigation, management, and capacity building activities, as appropriate;
- (c) the achievement of the objectives of the relevant plan(s), as pertinent; and
- (d) Learned lessons for future operations related to PCR.

31. In case the FR evaluation indicates the objectives of the relevant plan(s) may not be accomplished, the PT assesses the adequacy of the PCR management measures and may propose a future plan, including, as convenient, continued supervision by CAF.

### **X.3. Annexes**

#### **X.3.1. Annex A. Terms of Reference (TOR) for the Physical Cultural Resources (PCR) component of the ESIA and Environmental Management Plan.**

##### **A. Introduction**

- (a) Purpose of the TOR.
- (b) Description of the project to be assessed.

##### **B. Background Information**

- (a) Description of the major components of the project
- (b) Project need
- (c) Project sponsors,
- (d) A brief story of the project
- (e) Project current status and timetable.
- (f) Associated projects (if applicable)
- (g) Summary description of the environmental setting.
- (h) The description of the environmental setting should include mention of any human settlement associated with the region in which the project is located and the socio-cultural characteristics of the present and past communities in the vicinity.
- (i) Alternative project schemes considered.

##### **C. Objective of the Physical Cultural Resources Assessment.**

- (a) This Section summarizes the general scope of the PCR component of the ESIA and discusses the timing in relation to project preparation, design and execution.

##### **D. Regulatory Framework.**

- (a) This Section identifies any regulations and guidelines which will govern the conduct of the assessment and/or specify the contents of its report and to which the Consultant's attention should be drawn. It may include:
  - (b) Applicable CAF Operational Policies;
  - (c) Applicable National or provincial laws (on EA, AIA, Physical Cultural Resources and other)
  - (d) Include any national legislation and guidelines which may relate to PCR, such as national antiquities laws or regulations, and requirements regarding the safeguarding of cultural heritage under international conventions.
  - (e) Applicable regulations of other financing agents involved in the project.

*E. Likely Major Issues*

- (a) Summarize the outcome of the Full Environmental Assessment Scoping exercise, in which a broad assessment will have been made of the major biophysical and social impacts likely to be associated with the project.
- (b) The Consultants are required to consider all types of physical cultural resources, but particular attention should be paid to those previously recognized or to the possibility of those listed by a specialist based on a previous review and verification.
- (c) Note: These issues will inform the specializations to be considered for inclusion on the consulting team.

*F. Scope of Work to be Carried Out*

- (a) Description of the Project.
  - (i) The Consultants should provide a brief description of the project using maps where necessary, and including location, general layout, size, capacity, activities at pre-construction, construction, commissioning and operations phases, staffing and support, facilities and services, and life span of the project.
  - (ii) If there is a possibility of impacts on areas of aesthetic value or protected areas, such as tourist beauty spots or game parks, the Consultants will include in the Physical Cultural Resources report a description or illustrations of the physical appearance of the project during the various phases.
  - (iii) If the project may affect culturally sensitive areas, the Consultants should include a description of where labor camps will be situated and how they will be organized.
- (b) Baseline.
  - (i) The Consultants should provide baseline data on the biophysical and social environment potentially affected by the project (see World Bank EA Sourcebook Volume I, Annex 1-3). The spatial and temporal baseline boundaries should ideally have been identified in the Scoping exercise; otherwise, the Consultants should be requested to identify them.
  - (ii) The Consultant should consider impacts on all types of PCR, e.g.: natural and human-made, registered and unregistered, movable and immovable.
  - (iii) As different aspects of the project give rise to different types of impact, and each type of PCR may have different baseline boundaries, the Consultants should identify such specific boundaries.
  - (iv) Consultants should include photographs of the potentially affected PCR areas, sites and objects wherever possible (Considerations shall be made for cases where full disclosure may not be appropriate).
  - (v) If the principal PCR impacts and impact areas have not already been identified at the Scoping stage, the Consultants should be required to include a "Scoping" in their bid proposal, or in the Inception Report.
- (c) Legislative and Regulatory Considerations.

- (i) The Consultant should provide the pertinent regulations and standards pertaining to the EA (including permits, procedures, required documentation). Even if the basic EA -related regulations have been included in Section D of the TOR (above), they are likely to be insufficient.
- (ii) The Consultants should to identify national commitments to international PCR conventions and to identify any UNESCO or other Internationally or nationally recognized sites in the vicinity or potentially affected by the project, whether such impact is likely to be direct or indirect. National or provincial regulations or EA/EIA guidelines concerning antiquities, archaeology and other PCR-related issues should also be identified including any legislation concerning the management of chance finds.
- (d) Impact Assessment.
  - (i) The Consultant should identify the likely biophysical and social impacts in sufficient detail to be able to design suitable mitigating measures (see section G below).
  - (ii) The Consultant should consider impacts on all types of PCR, both, natural and human-made, registered and unregistered movable and Immovable (Consider as reference World Bank Physical Cultural Resources Safeguard Policy Guidebook, 2009).
- (e) Analysis of Alternatives. The Consultants shall include PCR aspects when considering alternative projects or project locations, in order to prevent, minimize or compensate for adverse impacts and enhance positive impacts on PCR. Project alternatives to be considered shall be feasible and allow a reasoned choice.

G. PCR Management Plan (PCR-MP)

- (a) Roles and responsibilities. Specify roles and obligations of:
  - (iii) Environmental/Social/Physical Cultural Resources responsible officers, coordinators, etc.
  - (iv) Each team member and project staffs in execution of the plan (include involved consultants, contractors, other 3rd part officers,
  - (v) Related agencies Government, NGO's, institutions acting as supervisors (as applicable)
- (b) Identified and likely Physical Cultural Resources
- (c) Training, Capacity Building, Awareness and Mobilization
- (d) Communication, Monitoring and Reporting Arrangements
- (e) Mitigation measurements
  - (i) Investigations, archaeological and other surveys to be undertaken prior to the implementation of the project for the purpose of recognizing the PCR in the area.
  - (ii) Define specific measurements for each project stage (design, construction, operation, etc.).
  - (iii) Specify roles, responsibilities, frequency, monitoring (typical activity and frequency), project area and reporting and documentation requirements.
  - (iv) Measurements related to impacts for the previously known finds.

- (v) Measurements related to impacts for the chance finds during project implementation (includes conservation of known and chance finds). See Chance Find Procedure.
- (vi) Foreseen specific methods.
- (f) Note. The appropriate measures for avoiding/ mitigating impacts can range from full site protection to selective mitigation, including salvage and documentation, in cases where part or all of the PCR may be lost.
- (g) Monitoring Program for the implementation of the PCR Management Plan
- (h) Materials, equipment and non-financial resources.
- (i) Budget.
- (j) Conclusions and recommendations.
- (k) Note. The Consultants should ensure that any mitigating measures arising from FCR impacts should be agreed to by the concerned and affected parties before they are submitted a recommendations in the PCR Management Plan. Such agreements shall be adequately documented.
  - (i) Institutional Needs for Implementing, and Monitoring the Implementation of the PCR Management Plan. The Consultants should make recommendations concerning any capacity needs of the concerned institutions to perform the necessary tasks, and measures which may be required to improve liaison between those institutions, other authorities, the project proponent and the authorities responsible for ESIA and for PCR Protection.
  - (ii) Public Participation. Point out the importance of the consultative process for the physical cultural resources component.

#### H. Reporting.

- (a) Although the investigations and findings with respect to PCR should form an integrated part of the ESIA report, the PCR Management Plan should be both: (i) included as an Annex of the project Environmental Management Plan; (ii) issued independently.

#### I. Physical Cultural Resources Assessment Team

- (a) The findings of the Scoping exercise should inform this Section. If there are any major PCR impacts expected or if the project has PCR-related components, or is a “cultural heritage” project or is located within or in the vicinity of a recognized PCR site, the Consultants should require include specialist(s) in the field(s) concerned (such as, for example, a cultural anthropologist, an archaeologist or a conservation architect, depending on the nature of the PCR issues. Even if there are no major PCR impacts expected and none of the other above conditions applies, the Consultants should nonetheless include a team member qualified and responsible for the PCR component.

J. Other Information

- (a) If major PCR impacts are expected, or if the project is located in the vicinity of a nationally or internationally recognized PCR site, or if the project has a cultural heritage related component, the Consultants should verify if relevant publications and information sources, including the World Bank PCR Country Profile, include updates or new information produced for the country concerned.
- (b) Note. To review and verify the final scope and to manage the scoping and development of the Study, consider as reference: World Bank, Physical Cultural Resources Safeguard Policy Guidebook, 2009.

**X.3.2. Annex B. Physical Cultural Resources - Management Plan (PCR-MP).  
Chance Finds Procedure.**

A. Introduction

- (a) Especially contracts for civil works involving excavations should normally incorporate procedures for dealing with situations in which buried PCR are unexpectedly encountered.
- (b) The final form of these procedures will depend upon the local regulatory environment, including any chance find procedures already incorporated in legislation dealing with antiquities or archaeology.
- (c) Note: The case for which the general guidance below is provided applies where there will be an archaeologist on call. In exceptional situations in which excavations are being carried out within PCR rich areas such as a UNESCO World Heritage site, there will often be an archaeologist on site to monitor the excavations and make decisions on-site. Such cases would require a modified version of these procedures, to be agreed with the cultural authorities.
- (d) For the final writing of chance finds procedures in addition to national and local legal requirements, at least the following elements shall be considered:

B. PCR Definition

- (a) Specify the types of PCR covered by the procedures (in some cases the chance finds procedure is confined to archaeological finds; more commonly it covers all types of PCR). In the absence of any other definition from the local cultural authorities, the following definition shall be used: "movable or immovable objects, sites, structures or groups of structures having archaeological paleontological, historical, architectural, religious, aesthetic, or other cultural significance".

C. Identified and likely Physical Cultural Resources

- (a) List and describe any Physical Cultural Resources previously recognized or likely to be found, based on a previous specialist review and verification.



*D. Ownership*

- (a) State the identity of the owner of the artifacts found. Depending on the circumstances, the owner could typically be, for example, the state, the government a religious institution, the land owner, or could be left for later determination by the concerned authorities.
- (b) On the field project development personnel (like construction contractors) must be notified that: (i) archaeological or historic artifacts or materials may not be removed from sites by unauthorized personnel; (ii) the collection of such artifacts is contractually and legally strictly forbidden; (iii) failure to comply may result in prosecution and other legal consequences (specify national and/or local legal implications).

*E. Recognition*

- (a) In case of PCR not sensitive areas, based on the listed Physical Cultural Resources previously recognized or likely to be found, a set of recognition criteria should be prepared, to be used by on the field project development personnel.
- (b) In PCR sensitive areas on the field project development personnel (like contractors) shall be accompanied by a specialist, who shall be responsible for recognition.

*F. Procedure upon Discovery*

- (a) Upon identification of suspected archaeological remains, find location must not be disturbed until it is inspected by the archaeological specialist.
- (b) Suspension of Work.
  - (i) If a PCR comes to light during the execution of the works, the contractor, or the responsible executor of the works, shall stop the works.
  - (ii) Specify whether all sorts should be stopped, or only the works immediately involved in the discovery, or, in some cases (where large buried structures may be expected), all works may be stopped within a specified distance (for example, 50 meters) of the discovery. The corresponding criteria should be provided by a qualified archaeologist.
  - (iii) At stopping work, the contractor, or the responsible executor of the works, must immediately report the discovery to the corresponding on the field responsible officer (for instance, the Resident Engineer).
  - (iv) The contractor may not be entitled to claim compensation for work suspension during this period.
  - (v) The on the field responsible officer (for instance, the Resident Engineer) shall suspend work and request from the contractor some excavations at the contractor's expense if he thinks that a discovery was made and not reported.
- (c) Demarcation of the Discovery Site. With the approval of the on the field responsible officer (for instance, the Resident Engineer), the contractor is then required to temporarily demarcate, and limit access to, the site.



- (d) Non-Suspension of Work. Specify conditions under which the on the field responsible officer (for instance, the Resident Engineer) may decide whether the PCR can be removed and for the work to continue, for example, in cases where the find is one coin.
- (e) Specific impact management procedures. Based on the list of Physical Cultural Resources previously recognized or likely to be found, this procedure shall include specific impact management procedures, provided by a specialist. A specific impact management procedure is included as a sample (instructions to be confirmed by the local specialist).
- (f) Human Remains. In the event that the archaeological specialist confirms genuine archaeological remains are encountered, the procedure to be adopted is described as follows.
  - (i) Human remains must be accorded full dignity and respect. If at all possible, aboriginal community burial places should not be disturbed. However, it may not always be feasible to protect a burial from construction activities. As required, the archaeological specialist will devise a recovery protocol which meets with the approval of the appropriate First Nation and Aboriginal communities.
  - (ii) The following procedures will be followed if suspected human remains are found:
    - The work will immediately cease in affected location and the appropriate officer must be contacted and he will notify the archaeological specialist;
    - If the affected location is busy or has high public visibility, an employee will be assigned to watch until the archaeological specialist arrives;
    - The affected location will be staked or flagged off to prevent additional disturbance;
    - Any exposed bones will be cover with plastic sheeting, a garbage bin liner, blanket, or other clean covering (not back fill) until the archaeological specialist is present;
    - If excavated fill has been loaded into a truck, it will be emptied at a nearby secure location for inspection by the archaeological specialist;
    - The construction contractor will resume work once the archaeological study is complete and he or she has been so advised by the on the field responsible officer (for instance, the Resident Engineer).
  - (iii) Chance Find Report. The contractor should then, at the request of the on the field responsible officer (for instance, the Resident Engineer), and within a specified time period, make a Chance Find Report, recording:
    - Date and time of discovery
    - Location of the discovery,
    - Description of the PCR;
    - Estimated weight and dimensions of the PCR.

- Temporary protection implemented.
- (iv) The Chance Find Report should be submitted to the on the field responsible officer (for instance, the Resident Engineer), and other concerned parties as agreed with the cultural authority, and in accordance with national legislation.
- (v) The Resident Engineer, or other party as agreed, is required to inform the cultural authority accordingly.
- (g) Arrival and Actions of Cultural Authority. The cultural authority undertakes to ensure that a representative will arrive at the discovery site within an agreed time (such as 24 hours), and determine the action to be taken. Such actions may include, but not be limited to:
  - (i) Removal of PCR considered of significance;
  - (ii) Execution of farther excavation within a specified distance of the discovery point;
  - (iii) Extension or reduction of the area demarcated by the contractor.
  - (iv) These actions should be taken within a specified period (for example, 7 days).
  - (v) Verify contract conditions to specify if the contractor may or not be entitled to claim compensation for work suspension during this period.
  - (vi) If the cultural authority fails to arrive within the stipulated period (for example, 24 hours), the on the field responsible officer (for instance, the Resident Engineer) may have the authority to extend the period by a farther stipulated time.
  - (vii) If the cultural authority fails to arrive after the extension period, specify if the on the field responsible officer (for instance, the Resident Engineer) may have the authority to instruct the contractor to remove the PCR or undertake other mitigating measures and resume work. Such additional works can be charged to the contract. However, the contractor may not be entitled to claim compensation for work suspension during this period.
- (h) Further Suspension of Work. During this 7-day period, the Cultural authority may be entitled to request the temporary suspension of the work at or in the vicinity of the discovery site for an additional period of up to (for example), 30 days.
- (i) Based on contract conditions, the contractor may, or may not be, entitled to claim compensation for work suspension during this period. However, the contractor will be entitled to establish an agreement with the cultural authority for additional services or resources during this thither period under a separate contract with the cultural authority.

## **XI. SAFETY OF DAMS**

### **XI.1. Guidelines**

1. These Guidelines aims to ensure adequate quality and safety in the design and construction of new dams, in the rehabilitation of existing dams and in the performance of existing dams on which the project may have an impact or that may affect the outcome of the project. The suitability of resources provided for the safety of the dam is included among the measures to ensure.
2. These requirements are applicable where, in the perspective of a project, its development involves the construction of new dam(s), or the rehabilitation or performance of existing dam(s).
3. The use of experienced and competent professionals to design and supervise the construction, operation, and maintenance of dams and associated works, under the project proponent responsibility, shall be verified and monitored by also experienced and competent experts.
4. Dam project developments require the design and execution of, as minimum, the following plans:
  - (a) Construction supervision;
  - (b) Instrumentation,
  - (c) Operation and maintenance;
  - (d) Emergency preparedness.
  - (e) Note. The design, implementation, monitoring and improvement of these plans shall be reviewed, verified, monitored by experienced and competent experts.
5. To verify the design (including the instrumentation plan), construction, and operational procedures, the project executor will use experienced, competent and independent advice.
6. To undertake planned construction activities the project executor will use qualified and experienced contractors.
7. The Project Proponent shall: (i) carry out periodic safety inspections after completion of construction/rehabilitation of new/rehabilitated dams; (ii) review/monitor the implementation of detailed plans and take appropriate action as needed.
8. Disclose draft dam safety report(s) plan(s), in a timely manner, before project appraisal, in an accessible place and/or media, and in a form and language(s) understandable to project affected groups, CSOs and other key stakeholders. Disclose in the same way the final dam safety report(s) and its updates.
9. All the expert personnel uses described in these guidelines shall be verified by CAF's project team which shall include also adequate dam qualified expert(s).

10. To provide specific criteria for different dams scenarios, CAF assumes some of the differentiated criteria proposed By the World Bank in its Operation Manual OP 47, Safety of dams, October 2001.

#### **XI.1.1. New Dams**

11. CAF distinguishes between small and large dams.

- (a) Small dams are normally less than 15 meters in height. This category includes, for example, farm ponds, local silt retention dams, and low embankment tanks.
- (b) Large dams are 15 meters or more in height. Dams that are between 10 and 15 meters in height are treated as large dams if they present special design complexities--for example, an unusually large flood-handling requirement, location in a zone of high seismicity, foundations that are complex and difficult to prepare, or retention of toxic materials. Dams under 10 meters in height are treated as large dams if they are expected to become large dams during the operation of the facility.

12. For small dams, generic dam safety measures designed by qualified engineers are usually adequate. For large dams, CAF requires:

- (a) Reviews by an independent panel of experts (the Panel) of the investigation, design, and construction of the dam and the start of operations;
- (b) Preparation and implementation of detailed plans: a plan for construction supervision and quality assurance, an instrumentation plan, an operation and maintenance plan, and an emergency preparedness plan;
- (c) Prequalification of bidders during procurement and bid tendering, and
- (d) Periodic safety inspections of the dam after completion.

13. The Panel.

- (a) The panel comprises at least three experts, hired by the PP and satisfactory to CAF, with qualifications in the different technical fields pertinent to the safety items of the specific dam.
- (b) Even though the main purpose of the panel is to review and advise the PP on subjects relative to dam safety, additionally, the panel may review and advise the PP on other critical aspects of the dam, its ancillary structures, the catchment area, the area surrounding the reservoir, and downstream areas.
- (c) In the case of dams with high risks scenarios, the panel shall include specialists with international qualifications and experience.
- (d) The PP is expected to extend the panel's function and activities farther than dam safety to include sensitive areas like:
  - (i) Project formulation;
  - (ii) Technical design;
  - (iii) Construction procedures;
  - (iv) For water storage dams, associated works such as these: power facilities, river diversion during construction, ship lifts, and fish ladders.

- (e) As early as possible in project planning, the PP organizes periodic panel meetings and reviews, that shall continue through the investigation, design, construction, initial filling and start-up phases of the dam. If CAF participation in the project begins at a stage subsequent to project preparation, the panel reviews the preliminary project advance.
- (f) The PP is responsible for contracting the panel services and affords administrative support for the panel activities.
- (g) The PP notifies the PT, in advance, about the Panel meeting's agenda, and the PT delegates a member as observer to these meetings. After each meeting, the Panel issues a written report, signed by the participants, including the conclusions and recommendations, and the PT receives a copy of every report.
- (h) After the filling of the reservoir and start-up of the dam, the PT reviews the corresponding Panel's findings and recommendations. When no substantial problems are found in the filling and start-up phases of the dam, the PP may finish the Panel services.

#### **XI.1.2. Existing Dams and Dams under Construction**

14. CAF may accept the following types of projects that do not include a new dam but will rely on the performance of an existing dam or a dam under construction: power stations or water supply systems that draw directly from a reservoir controlled by an existing dam or a dam under construction; diversion dams or hydraulic structures downstream from an existing dam or a dam under construction, where failure of the upstream dam could cause extensive damage to or failure of the new structure funded by CAF; and irrigation or water supply projects that will depend on the storage and operation of an existing dam or a dam under construction for their supply of water and could not function if the dam failed. Projects in this category also include operations that require increases in the capacity of an existing dam, or changes in the characteristics of the impounded materials, where failure of the existing dam could cause extensive damage to or failure of facilities funded by CAF.

15. If such a project, as described in previous paragraph, involves an existing dam or a dam under construction in the Project Proponent's territory, CAF requires that the Project Proponent arrange for one or more independent dam specialists to:

- (a) Inspect and evaluate the safety status of the existing dam or a dam under construction, its appurtenances, and its performance history;
- (b) Review and evaluate the owner's operation and maintenance procedures; and
- (c) Provide a written report of findings and recommendations for any remedial work or safety-related measures necessary to upgrade the existing dam or a dam under construction to an acceptable standard of safety.

16. CAF may accept previous assessments of dam safety or recommendations of improvements needed in the existing dam or a dam under construction if the Project Proponent provides evidence that: (i) an effective dam safety program is already in operation, and (ii) full-level inspections and dam safety assessments of the existing dam or dam under construction, which are satisfactory to CAF, have already been conducted and documented.

17. Necessary additional dam safety measures or remedial work may be financed under the proposed project. When substantial remedial work is needed, CAF requires that (a) the work be designed and supervised by competent professionals, and (b) the same reports and plans as for a new dam financing project (see paragraph 12(b)) be prepared and implemented. For high-hazard cases involving significant and complex remedial work, CAF also requires that a panel of independent experts be employed on the same basis as for a new dam financed by CAF (see paragraphs 12(a) and 13).

18. When the proprietary of an existing dam or a dam under construction is an entity different from the Project Proponent, the latter shall implement measures that ensure the proprietary implement the provisions of these Guidelines.

## **XI.2. Procedures**

19. During the environmental screening phase of the project, the Project Team (PT) verifies whether the project development: (i) involves the construction of new dam(s); or (ii) the rehabilitation or performance of existing dam(s). If the project includes any of the former two conditions, the present procedure shall be applied as early as possible during project planning.

20. In case project includes any of the two conditions specified in numeral 1 of this procedure, the PT shall integrate to it (an) expert(s) with significant experience in dam engineering and in preparation and supervision of financed projects that have involved dams.

21. All through the project planning and development processes, the PT ensures the required advice and support from CAF's Legal Counsel Office and CAF's Environmental Division.

22. Whenever a proposed project is related to any dams characteristic, as described in paragraph 19 (a) and (b) above, the PT:

- (a) Communicates the Project Proponent (PP) the requirements of: (i) CAF's Safety of Dams Guidelines; (ii) the present operational procedure; and (iii) CAF's Safety of Dams Guidelines Annexes;
- (b) Asks the PP to report the pertinent requirements and procedures of the applicable legislation for identifying, assessing, mitigating and monitoring potential risks and impacts of Dams related projects;

- (c) Reviews with the PP its policies and institutional and legal arrangements for Safety of Dams;
- (d) Agrees with the PP the manner the Safety of Dams Guidelines will be implemented under the project;
- (e) Verifies that the project planning phase includes a Safety of Dams Management component, and that such component (i) brings to completion the documents stated in paragraph 27 below; (ii) fulfills the requirements of CAF's Safety of Dams Guidelines, of this procedure and of CAF's Safety of Dams Guidelines Annexes.

23. The PT verifies and confirms that the PP prepare the following terms of reference (TOR), as pertinent, according with the specific requirements, risks and complexity of the Dam related project:

- (a) Consultancy/technical services for site assessment.
- (b) Consultancy/technical services for dam design.
- (c) Consultancy/technical services for dam construction (new or remedial).
- (d) Consultancy/technical services for dam design reviewing.
- (e) Consultancy/technical services for supervision of dam construction (new or remedial).
- (f) Consultancy/technical services for reviewing and advising on start-up operations (including initial reservoir filling).
- (g) Consultancy/technical services for dam safety inspections and dam safety assessments.
- (h) Note. See the Terms of Reference included as a minimum guide in this procedure: Annex A: Terms of Reference for contracting dam consultants and constructors; Annex B: Procedures for executing dam safety analysis; Annex C: Terms of Reference for the scope and content of dam safety technical reports; Annex D: Terms of Reference for dam safety assessment reports.

24. The PT verifies the qualifications and experience of the following contractors or employees participating in the project are adequate to the risks and complexity of the Dam related project:

- (a) Dam project construction contractors;
- (b) Other contractors or employees responsible for the design, supervision of the construction, operation, and maintenance of dams and associated works, and also for verifying and monitoring these activities;
- (c) Every contractor or professional(s) responsible for fill or start-up the project related dam, or to advise on or supervise these activities.

25. According with the specific requirements, risks and complexity of the Dam related project, the PT assesses the convenience of including a panel of experts in the dam project (to assess that convenience PT includes the professional(s) with the adequate technical expertise). In case the panel of experts is to be included:

- (a) The PT informs the PP about the requirement;



- (b) If required, the PT assists the PP in the preparation of the TORs for the panel of experts conformation;
- (c) The PT verifies the and endorses the final panel of experts TORs;
- (d) Note. The panel of experts includes PT members as meeting observers.

26. To be reviewed by the PT, PT receives full copy of all the technical documents related to dam safety (included the documents described in paragraph 4 of CAF's Safety of Dams Guidelines) that are prepared/issued by:

- (a) The PE;
- (b) The panel of experts;
- (c) Every specialist who assesses the project related dam.
- (d) Every contractor or professional(s) contracted by the PP to: design, construct, fill, start-up the project related dam, and to supervise these activities.

27. The PT supervises the PE's preparation process of the following obligatory documents, and clears them:

- (a) Construction supervision plan;
- (b) Quality assurance plan;
- (c) Instrumentation plan/program;
- (d) Operation and maintenance plan/program
- (e) Emergency preparedness plan;
- (f) Dam safety report (see Annex D of this Procedure: Terms of Reference for dam safety assessment reports)
- (g) Note. The PT also supervises that the design, implementation, monitoring and improvement of these plans shall be reviewed, verified and monitored by experienced and competent experts.

28. The PT corroborates that, to verify the design, the documents listed in the paragraph 27 above, and other pertinent operational procedures, the PP executor will use experienced, competent and independent advice.

- (a) Note. All the expert personnel qualifications described in these guidelines that is to be contracted by the PP shall be verified by CAF's PT, which shall include also adequate dam qualified expert(s).

29. While project planning process advances, the PT is responsible for starting and updating, in the Project Concept Document (PIF) and in the Project Information Document (PD), a summary of the available information on the main items to address Dam safety issues and risks.

30. Once the PT has officially received the draft dam safety report(s), from PP, the PT reviews and verifies:

- (b) Its full compliance with CAF's Safety of Dams Guidelines, this procedure, and CAF's Safety of Dams Guidelines Annexes;



- (c) That the disclosure of the report, before appraisal, has been made in a timely manner, at an accessible place and in a form and language(s) understandable to key stakeholders, project affected groups and CSOs;
- (d) If the dam safety report(s) is (are) acceptable as the basis for project appraisal.
- (e) In case the project conditions requires consultation of the dam safety report(s) with key stakeholders, project affected groups and CSOs, the PT verifies also that the consultation process has included appropriate measures to allow and promote the involvement of key stakeholders, project affected groups and CSOs in the dam safety report(s) formulation and (if applicable) in the monitoring of the pertinent items specified by the report.
- (f) In case the project conditions requires consultation of the dam safety report(s) with key stakeholders, project affected groups and CSOs, the PT verifies the establishment and validation of suitable, understandable and accessible grievance mechanism that also shall be consistent with CAF's Public Involvement Guidelines (included in the CAF-GEF Projects Management Manual).
- (g) Note. Once the PT has approved the draft dam safety report(s), the PT verifies the document has been made accessible to the public as stated in CAF's Public Involvement Guidelines (included in the CAF-GEF Projects Management Manual), and the draft dam safety report(s) to CAF's Environmental Division, remarking that the draft resettlement instrument is subject to modifications during appraisal. The final dam safety report(s), and its updates, will be disclosed in the same manner.

31. For project appraisal, the PT is responsible for:

- (a) If required, and based on project nature, dimensions, risks, complexity and needs, including appropriate dam safety specialists for appraisal;
- (b) Reviewing all project information related to dam safety, including:
  - (i) Cost estimates;
  - (ii) Construction schedules;
  - (iii) Procurement procedures;
  - (iv) Technical assistance arrangements;
  - (v) Environmental assessments;
  - (vi) Construction supervision plan;
  - (vii) Quality assurance plan;
  - (viii) Instrumentation plan;
  - (ix) Operation and maintenance plan;
  - (x) Emergency preparedness;
  - (xi) The project proposal,
  - (xii) Technical aspects, inspection reports, panel reports, and all other PE's action plans related to dam safety;
  - (xiii) If a panel has been implemented, the team confirms that the PP has incorporated the panel's recommendations;
  - (xiv) If required, supporting the PP in identifying needs for dam safety training or technical assistance.
- (c) Verifying that the findings and recommendations of the dam safety report and of the panel, are satisfactorily mirrored in project design;

- (d) recording in the Project Document (PD) dam safety management concerns, findings and recommendations resulting from the planning process and also any proposed project interventions pertinent to dam safety management;
  - (e) Verifying the reviewing and approval of the Project Document (PD) and its annexes from CAF's Environmental Division and CAF's Legal Counsel Office;
  - (f) Reflecting the significant elements of the dam safety management in the legal agreements of the financing contract.
  - (g) Confirming that the projected costs of the implementation of the dam safety plan(s) and report are included in the project budget.
32. For small dams project appraisal, the PT is also responsible for:
- (a) Reviewing the dam safety provisions and plans, considering that, for small dams, generic dam safety measures designed by qualified engineers are usually adequate;
  - (b) Discussing and agreeing with the Borrower on appropriate safety measures;
  - (c) Verifying the participation of qualified experts;
  - (d) Verifying that the project environmental assessment (EA) for the project has concluded that there would be no risk or negligible risk of significant adverse impacts due to potential failure of the structure to local communities and assets, including assets to be financed as part of the considered project. As from that conclusion potential adverse impacts would be addressed through CAF's Environmental and Social Assessment Guidelines and its Procedure, and the corresponding mitigation measures shall be integrated in the Environmental Management Plan, in coherence with CAF's Environmental and Social Assessment Guidelines and its Procedure.
33. For large dams project appraisal, the PT is also responsible for:
- (a) Reviewing the dam safety provisions and plans;
  - (b) Verifying the independent panel of experts review of the investigation, and project design;
  - (c) Reviewing the preparation and implementation of detailed plans: a plan for construction supervision and quality assurance, an instrumentation plan, an operation and maintenance plan, and an emergency preparedness plan;
  - (d) Verifying the independent panel of experts review of the preparation and implementation of detailed plans: a plan for construction supervision and quality assurance, an instrumentation plan, an operation and maintenance plan, and an emergency preparedness plan;
  - (e) Discussing and agreeing with the Borrower on appropriate safety measures;
  - (f) Verifying the participation of qualified experts;
  - (g) Verifying that the project environmental assessment (EA) for the project has concluded that there would be no risk or negligible risk of significant adverse impacts due to potential failure of the structure to local communities and assets, including assets to be financed as part of the considered project. As from that conclusion potential adverse impacts would be addressed through CAF's Environmental and Social Assessment Guidelines and its Procedure, and the

corresponding mitigation measures shall be integrated in the Environmental Management Plan, in coherence with CAF's Environmental and Social Assessment Guidelines and its Procedure.

34. For all dams project development, the PT is also responsible for:
- (a) Verifying the independent panel of experts review of the construction of the dam and the start of operations;
  - (b) Reviewing the implementation of detailed plans: a plan for construction supervision and quality assurance, an instrumentation plan, an operation and maintenance plan, and an emergency preparedness plan;
  - (c) Reviewing the prequalification of bidders during procurement and bid tendering; and
  - (d) Reviewing the implementation and reports of the periodic safety inspections of the dam after completion.
35. The PT is responsible for verifying that the Loan Agreement provides for the PE's obligation to:
- (a) If a Panel has been implemented, arrange panel meetings periodically during project implementation and retain the Panel through the start-up of a new dam;
  - (b) to implement the following plans in coherence with CAF's Safety of Dams Guidelines Annexes:
    - (i) Construction supervision plan;
    - (ii) Quality assurance plan;
    - (iii) Instrumentation plan;
    - (iv) Operation and maintenance plan;
    - (v) Emergency preparedness;
  - (c) After filling and start-up of a new dam, or after completion of rehabilitation of an existing dam; (i) to sustain periodic dam safety inspections performed by independent qualified professionals who have not been involved with the investigation, design, construction, or operation of the dam; (ii) to review the implementation of the plans above listed (35 (b)), performed by independent qualified professionals in the same way; (iii) to take correction action as needed.
36. During project implementation, the PT supervises:
- (a) PP's inclusion of adequate technical expertise to bring to completion the dam safety provisions of the Loan Agreement. This may include, if adequate, expert consultants to assess PP's performance.
  - (b) The implementation of the relevant legal covenants related to dam safety management and its plan(s) (if applicable).
  - (c) In case performance regarding dam safety is found to be insufficient, the PT discusses with the PP and verifies the PP implements a corrective action plan.

37. During the latter stages of project implementation, the PT:
  - (a) discusses post-project operational procedures with the PE, in particular those corresponding to ensure that written instructions for flood operations and emergency preparedness are conserved at the dam at all times;
  - (b) The PT also stresses that the future arrival of new technology or new information (for instance, from floods, seismic events, or discovery of new regional or local geologic features) may require the PP to modify the technical criteria for evaluating dam safety;
  - (c) The PT asks the PP to implement such modifications and then apply the revised criteria to the project dam.
38. The PT ensures that adequate measures are taken to inspect and maintain regularly and satisfactorily completed dams.
39. Once the project has been completed, the PT executes the Final Report (FR) to evaluate, as adequate:
  - (a) The impact of the project, positive and adverse, and the environmental impacts as a consequence of the project development;
  - (b) The general effectiveness of the project's dam safety management, and capacity building activities, as appropriate;
  - (c) the achievement of the objectives of the relevant plan(s), as pertinent;
  - (d) Learned lessons for future operations related to dam safety.
40. In case the FR evaluation indicates the objectives of the relevant Plan(s) may not be accomplished, the PT assesses the adequacy of the dam safety management measures and may propose a future plan, including, as convenient, continued supervision by CAF.

### **XI.3. Annexes**

#### **XI.3.1. Annex A. Terms of Reference for Contracting Dam Consultants and Constructors**

##### **A. Civil engineers with a specialized knowledge on hydrotechnics and structural evaluation**

- (a) Dam safety Engineers Qualifications:
  - (i) A civil engineer specialized in hydraulic structures
  - (ii) A post-university 30-year experience in the field
  - (iii) A 20-year professional experience in the field
  - (iv) Professional registration
  - (v) A 15-year experience in dam safety evaluation: homogeneous soil, screen rockfill concrete, mixed or zoned soils and roller compacted concrete (RCC).

**B. Geologists**

(a) Geologists Qualifications

- (i) A geologist specialized on dam engineering geology
- (ii) A post-university 30-year experience in the field
- (iii) A 20-year professional experience in the field
- (iv) Professional registration
- (v) At least a 15-year experience in dam safety evaluation: homogeneous soil, screen rockfill concrete, mixed or zoned soils and roller compacted concrete (RCC).

**C. Geotechnicians**

(a) Qualifications of dam safety civil engineers with postgraduate studies in geotechnics

- (i) A civil engineer with postgraduate studies in geotechnics
- (ii) A post-university 30-year experience in the field
- (iii) A 20-year professional experience in the field
- (iv) Professional registration
- (v) A 15-year experience in dam safety evaluation: homogeneous soil, screen rockfill concrete, mixed or zoned soils and roller compacted concrete (RCC)

**XI.3.2. Annex B. Procedures for a dam safety assessment (procedures as spelled out below are suggested as a dam safety evaluation benchmark)**

**A. Holding a meeting with dam owner to reaching technical agreements**

**B. Ranking of dam characteristics**

**C. Review of records and documents on:**

- (a) Investigations
- (b) Construction
- (c) Design
- (d) Surveys
- (e) Construction, supervision and quality-assurance plan (to be submitted to Project team, PT prior to evaluation). The plan entails the organization, staffing levels, procedures, equipment, and ratings regarding: (i) oversight of construction of a new dam; or (ii) remedial work on an existing dam. For a dam other than a water storage dam, both, the construction oversight and the quality-assurance plan bear in mind the whole construction period, as long as it may last, and monitors each amendment being made to specifications. This document and its review are a requisite for the PT to assess suitable measures to be included in the Loan Agreement to ensure that dam safety-related design components are duly met over the construction phase.

- (f) Implementation Plan. Systems and tools to be applied to monitoring and recording the dam performance and related hydro-meteorological, structural and seismic factors are herein set forth in full detail. This plan is reviewed over the design phase by the PT and the independent experts' panel, and should be duly approved by them before the bid tendering date.
- (g) Operation and Maintenance (O&M) Plan. Details are included in this plan as follows:
  - (i) Organizational structure, staffing, technical expertise, and training required;
  - (ii) Equipment and facilities being implemented to operate and maintain the dam;
  - (iii) O&M procedures and criteria, including long-term maintenance and safety inspections.
- (h) The O&M plan for a dam other than a water storage dam, in particular, shows changes in the dam's structure or in the nature of the impounded material that may be expected over a period of years. A draft O&M plan is provided to the PT prior appraisal. The plan is finished during project implementation, and its final version is due at least six months prior to the initial filling of the reservoir.
- (i) Emergency preparedness plan. This document defines the structure of roles to respond to a situation of: (i) imminent dam failure; (ii) an expected operational flow release threatening downstream life, property, or economic operations which are dependent on river flow levels.
- (j) The plan involves, at least:
  - (i) Precise instructions and clear statements on the responsibility for decision-making regarding dam operations and related emergency communications;
  - (ii) Maps outlining flooding levels for several emergency conditions;
  - (iii) Flood warning system characteristics;
  - (iv) The procedures to evacuating threatened areas and mobilizing emergency forces and equipment. The general framework plan and a budget estimate for a detailed plan preparation are provided to PT before evaluation. The draft final plan is provided for review to the independent Panel and PT at least one year before the initial filling of the reservoir.

**D. Comprehensive dam inspection**

**E. Dam evaluation**

- (a) Based on the identification and classification of requirements
- (b) Identification of the overflow hydraulic capacity
- (c) Identification of the static stability and dynamic stability (includes seismic resistant evaluation) of dam components
- (d) Threats, vulnerabilities, risks and failure modes, analysis and evaluation
- (e) Dam safety expectations. Shortcomings and priorities
- (f) Review and evaluation of the dam safety management system

### **XI.3.3. Annex C. Terms of Reference for scope and contents of a technical report on dam safety assessments**

#### **A. Introduction**

- (a) A listing of any and all deficiencies and non-conformity with the dam owner's safety program should be attached to the report. On the basis of priorities for action, recommendations vis-à-vis the above should be made, as well as an evaluation of those deficiencies and non-compliances.

#### **B. Overview**

- (a) The scope of a review and evaluation report on dam safety may differ from one dam to another, depending on the classification of the dam characteristics, the complexity of its design, previous evaluations, age, among others. However, each and every aspect deemed to be required should be included to ensure that:
  - (i) The dam is safe, it is safely operated, and it is safely maintained
  - (ii) Surveillance is appropriate to any safety-related problem likely to arise. If safety cannot be ensured, the dam safety engineer should identify deficiencies accordingly.
  - (iii) The review, evaluation and survey include an in situ inspection, a revision of all relevant documentation, and interviews with the operation and maintenance staff. Records on any dam safety-related incident since the previous review and monitoring activities should be looked into. The flow measurement equipment should also be tested, if deemed to be appropriate.
  - (iv) If a previous dam safety revision has been undertaken, the dam safety engineer may decide to draw up the report as a prior information audit, making sure it is complete and up to date.

#### **C. Assessment of the construction, supervision, and quality assurance plan**

- (a) On the basis of the *in situ* revision and verification, a statement shall be drawn up on the adequacy and sufficiency of the provisions herein contained within the context of the dam safety.

#### **D. In situ inspection and meeting with the dam owner**

- (a) The inspection shall include all dam site works, a dam evaluation, with a particular focus on debris, and a technical visit to the downstream area to reassess rating of the likely aftermath of a probable failure. If the dam is exposed to conditions other than those in place on the date on which the inspection is taking place (full dam, or reduced water level, storms, etc.), the engineer performing the revision should peruse through inspection records, or meet with the dam owner to inform about any and all anomalies as may have occurred over the time those conditions were present. The dam owner should be approached



on: incidents or other pertaining operation and maintenance issues; equipment and/or system-related matters, the dam performance, and any other issue pertaining integration with other dam owners or people partaking in dam safety affairs. An evaluation of the dam management comprehensive system should be performed.

*E. Data and records*

- (a) Ideally, a dam safety review shall include an evaluation of the construction methodology, conditions and practices being used in the dam construction. Every effort should be made to locating all dam-related information available; unfortunately, construction reports, design drawings and records pertaining to a large number of old dams are no longer available. The dam owner should keep records in full as part to an effective dam safety programme, and should further ensure that all information available is collected before the dam safety revision is to get under way.

*F. Failure Implications*

- (a) During the dam safety revision, the potential implications of the dam failure should be looked into. The main reasons for implication-related changes are: new occurrences downstream and/or a revaluation of the floodplain, or the identification of environmental impacts (including socio-economic impacts) not previously considered.

*G. Dam safety evaluation*

- (a) The dam system safety evaluation shall include internal and external threats, failure and impacts modalities, operating reliability and dam response.
- (b) An assessment of the implementation plan shall be included in this evaluation. On the basis of its revision, an explicit statement shall be drawn up on the adequacy and sufficiency of the provisions herein contained within the context of the dam safety.

*H. Evaluation of threats and failure modalities*

- (a) External threats are beyond the dam owner control, and are originated outside the dam and reservoir system boundaries. Internal threats are errors and omissions in the dam and water conveyance structures' design, operation and maintenance. The "failure modality" describes how element or component failures should occur to cause a loss in the system's performance.

*I. Operation, maintenance and surveillance*

- (a) The effectiveness and appropriateness of the operation, maintenance and surveillance should be reviewed to ensure they are in line with standards as applicable. Particular attention shall be attached to the Operation and



Maintenance (O&M) plan document. On the basis of its revision, an explicit statement shall be drawn up on the adequacy and sufficiency of the provisions herein contained within the context of the dam safety.

- (b) The engineering performing the revision may assess their compliance with procedures as set forth, by means of an audit of operation, maintenance and monitoring records, through discussions with staff *in situ*, and an appraisal of site maintenance and conditions over the visit being performed.
- (c) The dam safety review should be focused on testing the equipment required to operating the drain system, including the feedback and emergency power supply system being required for the safe passage of rising water likely to damage the dam. If the sluice gates and equipment have been tested and operated less than a year ago and suitable records are available, a review of either such a testing or operation records may be appropriate. Otherwise, this test may be made over the dam safety revision operation.

*J. Emergency preparedness*

- (a) Emergency preparedness plans and response procedures should be reviewed on a regular basis.
- (b) Special attention should be attached to the Operation and maintenance (O&M) plan document. On the basis of its revision, an explicit statement shall be drawn up on the adequacy and sufficiency of the provisions herein contained within the context of the dam safety.

*K. Public Safety*

- (a) The engineer who is responsible for the dam safety revision should verify that threats to public safety at the dam have been identified and recorded in the report. The same engineer should verify that the operation system is safe from vandalism or operation by unauthorized individuals.

**XI.3.4. Annex D. Terms of Reference applying to dam safety review reports**

- (a) Upon completion of the dam safety review, the engineer in charge should submit a formal report to the dam owner including revision findings and recommendations intended to assist the owner in fulfilling the dam safety responsibility, and in abiding by relevant regulations. This report should include:
  - (i) A related documentation review.
  - (ii) A quantification of the deficiencies and non-conformities in owners' structures and/or dam safety program, using a dam safety expectations checklist
  - (iii) An evaluation making requirements explicit vis-à-vis to reaching a satisfactory completion (in terms of dam safety expectations) of following documents in particular:
    - A construction supervision and quality assurance plan.

- Implementation plan.
    - Operation and maintenance (O&M) plan.
    - Emergency preparedness plan.
  - (iv) A particular focus any non-compliance with policies, guidelines, or standards and any other matter calling for follow-up so that priorities may be smoothly determined towards enhanced safety, together with remedial measures or further investigations. Identifying any additional steps as required to ensuring a safe dam operation and proper maintenance and monitoring.
  - (v) Information on gaps in documentation above, identifying potential deficiencies and making suggestions for further actions or investigations likely to be required to confirm compliance with dam safety requirements.
  - (vi) A listing of all records and locations thereof.
- (b) Initial evaluation methods pertaining review, or data available may be insufficient to clearly demonstrate an acceptable safety degree vis-à-vis the dam, drainage structures and slopes of the reservoir. If additional work is required to evaluating and documenting the dam safety, the revision report shall include recommendations for more in-depth evaluation or investigation so as to provide proper data for evaluation purposes.
- (c) Thus, the core safety review output involves one or more conclusions a follows:
- (i) The dam clearly meets all safety requirements
  - (ii) The dam clearly do not meet some safety requirements; (a listing of deficiencies or non-conformities and recommended actions should be drawn up).
  - (iii) There is uncertainty whether or not some safety requirements are met; a listing of areas of concern and actions required to dispel doubts and overcome uncertainty should be drawn up.

## XII. ACCOUNTABILITY AND GRIEVANCES SYSTEM

### XII.1. Guidelines

1. To strengthening up transparency and institutional responsibility processes, and to foster greater public accountability, a Grievances and Complaints System ensuring enforcement of CAF's own environmental and social safeguard guidelines in projects in which CAF is acting as a GEF Partner Agency, has been made available to communities and individuals.

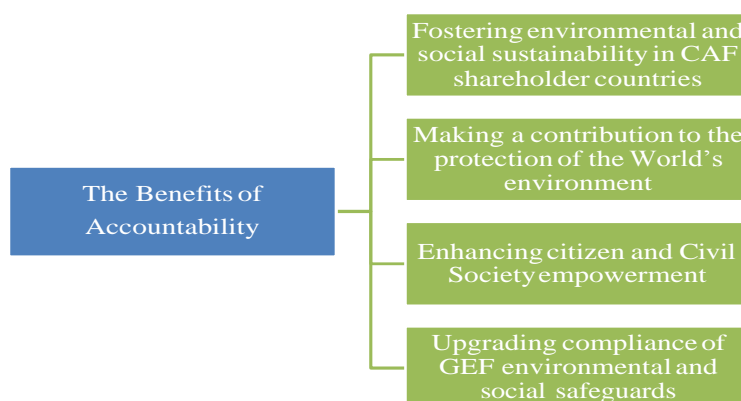
2. The Grievances and Complaints System is made up by two administrative entities and one mechanism to acknowledge grievances, complaints, compensation and reparation claims, the purpose of which is to allowing to settling and giving a proper solution to environmental or social controversies and claims likely to arise from projects being funded by GEF resources (CAF/GEF Projects).

#### Scope of Accountability

3. Along with accountability (as a duty), the accountability concept further entails the requirements of accounts (in one's own right), and to that extent, one's duties are others' rights. The accountability idea involves beforehand the two parties involved: those accountable and those demanding accountability.

4. This term includes, in the first instance, the international accountability of organizations. The ascription of accountability faces several challenges, in particular when that ascription is applied to the link between the environmental impairment and the activities being performed by international organizations. Accountability is particularly relevant when neither a judicial nor a non-judicial forum is in place in the international setting, a forum through which complaints for adverse environmental impacts likely to be generated by international non-government players may be filed against the latter.

5. Accountability benefits are summarized in figure below:



6. Accountability encompasses a series of actions being aimed at monitoring the behaviour of organizations through information dissemination, public participation, reporting monitoring and evaluation. Actions could get under way before or after the intervention is taking place, and this is the reason why the broad Accountability concept has a particular relevance in the environmental context. Thus, the prevention principle prevails, i.e. it avoids rather than remedies the occurrence of environmental impairment. This principle also refers to the role non-government players may perform in the international arena on behalf of environmental concerns.

7. Accountability has become into an engaging approach for international organizations and civil society alike, insofar it helps enhancing the outcome of resource allocation decisions. Accountability further entails efforts to improve citizen awareness and the use of more transparent conventional mechanisms and an active citizen involvement.

8. Accountability refers to the obligation an organization has to be answerable for its own decision-making and actions being undertaken, as well as to honor its commitments without reservation or exception whatsoever. Accountability further entails achieving high-quality objectives and results in a timely and cost-effective manner.

#### Accountability Principles

##### Transparency

9. Along with the accountability culture, transparency is a cornerstone appertaining to CAF activities becoming expanded all over the world, providing information on what CAF is doing, where and how CAF activities are being performed. Transparency also allows stakeholders (Staff, project beneficiaries and the public at large) to perceiving whether CAF is acting in accordance with the Law and CAF's own bylaws, and is duly abiding by relevant standards.

10. Transparency does not only refers to the information being made available within the organization (information sharing, management systems, intranet), but also outside the organization (website, social networks, public relations). Information shall be proactively disseminated by the organization, without waiting for information to be requested by an interested party or by stakeholders.

11. As a general principle, information shall be available to everyone for free, with the exception of those very special cases in which information's very nature forbids its dissemination, both inside and outside CAF.

#### Accountability Culture

12. Accountability is applicable to all CAF levels: from Management to lower levels. Directors and heads of the various sections should be the first to vouch for the results they are expecting to achieve.

13. Particular challenges shall be faced by any organization similar to CAF, with a decentralized structure where the delegation of authority could vary in accordance with the different areas of work. In any case, Staff being assigned delegated responsibility and authority shall be accountable for their actions and shall acknowledge, respond to and process complaints and grievances, pursuant to the procedures being set forth or to be set forth.
14. The Grievances and Complaints Mechanism is a key component of accountability. It is an instrument through which stakeholders compel an organization to be held to account vis-à-vis the questioning of policy, a decision, or an action, and those stakeholders may receive a timely response to their queries.

#### **XII.1.1. Grievances and Complaints System Management Principles**

15. Principles that should govern Grievances and Complaints Mechanisms have been identified by the United Nations as follows:
- (a) Legitimate. Clear and transparent governance structures should be embodied.
  - (b) Accessible. The System shall be disclosed to all those wishing to having access to it, in a clear and understandable language.
  - (c) Predictable. The System shall provide a clear and well-known procedure in terms of processes and outcomes the system may (or may not) release, as well as regarding the means to follow-up on the system's implementation.
  - (d) Equitable. The System shall ensure that claimants have a reasonable access to information sources and advise in order for them to be able to get involved in the grievances process on fair conditions.
  - (e) Transparent. The system shall be transparent in receiving complaints and in its responses to claimants.
  - (f) A timely start-up of the Project cycle. Most successful grievance mechanisms are installed within the shortest possible period of time –ideally, during the project design phase- and they are modified over each one of subsequent phases.

Problems are dealt with more easily, more efficiently, and at a lower cost, when they are promptly dealt with.

### **XII.2. Procedures**

#### **XII.2.1. Administrative Instances**

16. Administrative instances to receive, respond, and deal with complaints and grievances are as follows:
- (a) The Ombudsperson (OP). CAF Corporate Comptroller shall be acting as the Ombudsperson, and shall be reporting to the Executive President.
  - (b) The Grievance Management Committee (GMC). This Committee is made up by:

(i) the Executive Vice-President, who presides; (ii) the Corporate Human Capital Director; (iii) the Legal Director; (iv) the Corporate Credit and Risk Director.

17. The Environmental and Climate Change Division Director (DACC, for its acronym in Spanish), upon an OP request shall provide technical support on environmental and social matters or designate a competent officer.

18. Biannual external audits shall be conducted to assess CAF compliance in terms of the environmental and social safeguard policies for CAF/GEF projects, and the Grievances and Complaints mechanism.

## XII.2.2. Grievances and Complaints Reception Mechanism (G/C)

19. CAF mechanism to receive grievances and complaints is a process starting with the submission of the G/C (Grievance/Complaint) and continuing with the Consultation and Verification of Enforcement.

### Filing of a Grievance or Complaint (G/C)

20. People who believe they have been affected or may be affected by the adverse environmental and social impacts of a project in which CAF is acting as a GEF Agency shall consider:

(a) The G/C may be related with any aspect dealing with the design, execution, result or impact of a project.

(b) The G/C may be filed: by phone; via email, post or fax; or via web (c) The G/C may be submitted to the Ombudsperson in Caracas, and to the DACC official at CAF offices located in member countries, which shall convey them to the Ombudsperson.

21. Contact sites for submission of G/C are shown in Table below.

OFFICE	OMBUDSPERSON	CONTACT INFO
CAF'S HEADQUARTER	CORPORATE CONTROLLER (CONTRALOR CORPORATIVO)	Av. Luis Roche, Torre CAF, Altamira, Caracas - Venezuela
		Teléfono: (58 212) 2092111
		Fax: (58 212) 2092444
		Correo-e: infocaf@caf.com
COUNTRY OFFICE	DACC'S REPRESENTATIVE OFFICER	CONTACT INFO
ARGENTINA	José Agustín Blanco	Av. Eduardo Madero, No. 900 Av. 12 de Octubre N 24 - 562 y Cordero, Edificio Catalinas Plaza, Piso 15
		C1106ACV, Ciudad de Buenos Aires
		Buenos Aires, Argentina
		Tel: (54 11) 43186400
BOLIVIA	Edgar Salas	Fax: (54 11) 4318 6401
		Email: argentina@caf.com
		Av. Arce, No. 2915, Zona San Jorge, La Paz, Bolivia

		Tel: (591 2) 264-8111
		Fax: (591 2) 243-3304
		Email: bolivia@caf.com
BRASIL	Sintia Yáñez	SAF/Sul, Quadra 2, Lote 4, Bloco D Edifício Vía Esplanada, Sala 404 CEP70070-600, Brasília-DF
		Tel: (55 61) 2191-8600
		Email: brasil@caf.com
COLOMBIA	Fanny Peña	Carrera 9 No. 76 - 49, Piso 7 Edificio ING, Bogotá Bogotá, Colombia
		Tel: (57 1) 744-9444
		Fax: (57 1) 313-2787 / 313-2721
		Email: colombia@caf.com
ECUADOR	Mauricio Velásquez	Av. 12 de Octubre N 24 - 562 y Cordero Edificio World Trade Center, Torre A, Piso 13. Quito, Ecuador
		Tel: (593 2) 398-8400
		Fax: (593 2) 222-2107
		Email: ecuador@caf.com
ESPAÑA	Guillermo Fernández	Plaza Pablo Ruiz Picasso, No. 1, Torre Picasso Planta 24 CP28020, Madrid, España
		Tel: (34 91) 597-3894
		Fax: (34 91) 597-4927
		Email: españa@caf.com
TRINIDAD TOBAGO	Y Iwan Sewberath	
PANAMÁ	Alfredo Paolillo	Bulevard Pacifica, PH Oceanía Business, Plaza Torre 200 Piso 27 Punta Pacifica, CP0832, Ciudad de Panamá
		Tel: (507) 297-5311
		Fax: (507) 297-5301
		Email: panamá@caf.com
PARAGUAY	Fernando Infante	Mariscal López 3794 y Cruz del Chaco Regus, Edificio Citicenter, Piso 4, CP1892, Asunción - Paraguay
		Tel: (595 21) 620-7718
		Fax: (595 21) 6207701
		Email: paraguay@caf.com
PERÚ	René Gomez-García	Av. Enrique Canaval y Moreyra No. 380 Edificio Torre Siglo XXI, Piso 13 San Isidro, Lima 27 - Perú
		Tel: (511) 710-8511
		Fax: (511) 716-9885
		Email: peru@caf.com

URUGUAY	Marco Giussani	Plaza Independencia 710 Torre Ejecutiva, Piso 9, CP11000 Montevideo – Uruguay
		Tel: (598 2) 917-8211
		Fax: (598 2) 917-8201
		Email: uruguay@caf.com
VENEZUELA	Octavio Carrasquilla	Av. Luis Roche, Torre CAF, Altamira, Caracas - Venezuela
		Tel: (58 212) 2092111
		Fax: (58 212) 2092444
		Email: infocaf@caf.com

22. The G/C could also be submitted by accessing CAF Website as follows: on the “About CAF” icon, the name CAF/GEF PROJECT is displayed, and the “handling of Grievances and Complaints” link is shown including the Hotline and Whistle Blower Protection.

23. In remote areas, where access to telecommunication or electronic media is restricted, CAF, in coordination with the Project Proponent, shall adopt effective alternative mechanisms to allowing people concerned to submit their G/C.

24. While filing a G/C, the complainant shall include his/her contact information in order to make possible to contact him/her to answer the G/C.

### **XII.2.3. Consultation Phase**

#### Receipt

25. The first step once a complaint has been filed is to acknowledge it. The second step is to convey it to the Ombudsperson (OP), who shall determine the Complaint eligibility to go ahead with the process.

#### Conveying

#### Complaint Eligibility

26. Complaints shall be considered to be eligible in cases as follows: (i) The complaint refers to a project in which CAF is acting as a GEF Partner Agency; and (ii) The complaint is relevant to Project-driven adverse environmental and social impacts.

27. In case the OP requires environmental and social technical support to decide the eligibility of the complaint, the OP will request the support formally to DACC, who shall provide it, at the most three days after receiving the requisition.

28. If the OP decides to reject the application, he / she shall close the file and shall inform the claimant accordingly.

29. If the OP considers that the complaint as eligible, he/she shall register it on the G/C Registry; notifies both the claimant and the project executing agency, and publish the complaint on the CAF website.



### Evaluation

30. Once the complaint has been recorded, the OP shall request DACC technical support on environmental and social matters.
31. Once the complaint has been recorded and DACC technical support has been coordinated, the OP shall conduct an evaluation to:
  - (a) clarifying issues and concerns being raised in the application;
  - (b) identifying and collecting information;
  - (c) finding out opinions and motivations;
  - (d) helping determine whether issues being raised can be dealt with, and what the most appropriate procedure to deal with it shall be.
32. This evaluation may imply an environmental survey, a site visit, a dialogue with the claimant, with project executors, or with some other stakeholders, as well as any other actions as may be deemed appropriate.
33. In cases of high risks, complexity or incertitude, difficulties to find an agreement, or any other reason where OP considers appropriate, the OP shall request the support of the GMC, as an adviser resource. GMC may also designate or request internal or external specialized professional guide services. In this situation, OP shall convey the application and all relevant information to the GMC.
34. Instead of implementing an unilateral “investigate, decide, and announce” strategy, the OP shall engage as directly as possible with the complainant in the evaluation process, and also involve the complainant in influencing the resolution process to be selected, as well as settlement options.
35. On the basis of the evaluation activities, the OP shall make a decision whether:
  - (a) To have a dialogue with stakeholders to reaching an explicit agreement, following a procedure which is acceptable to both parties.
  - (b) To propose and designate an independent third party (such as a mediator), without decision-making authority, to facilitate the agreement process.
  - (c) To propose and implement, together with the complainant, traditional and customary practices (like observers, witnesses, and testifiers or advisors or mediators), to facilitate the agreement process
  - (d) If one of the parties (different from CAF) decides not to pursue the resolution of the conflict, the OP finishes the process and present its Final Report.
  - (e) The OP shall present the result of the Evaluation phase in a Final Report. If, after GMC involvement, the OP concludes that a proper consensual solution is impossible, the OP shall make his/her decision, present it in his Report, copy the report to the GMC.

### Final Decision

36. The OP shall draw up a Report on the Evaluation and its findings, and shall forward it to the GMC Chairperson, and to the claimants. The report shall be published in the G/C Registry.

37. The terms of the conflict resolution or the recommendation being approved shall be released through the G/C Registry, unless the parties agree to confidentiality, in which case the OP shall public a summary of the report.

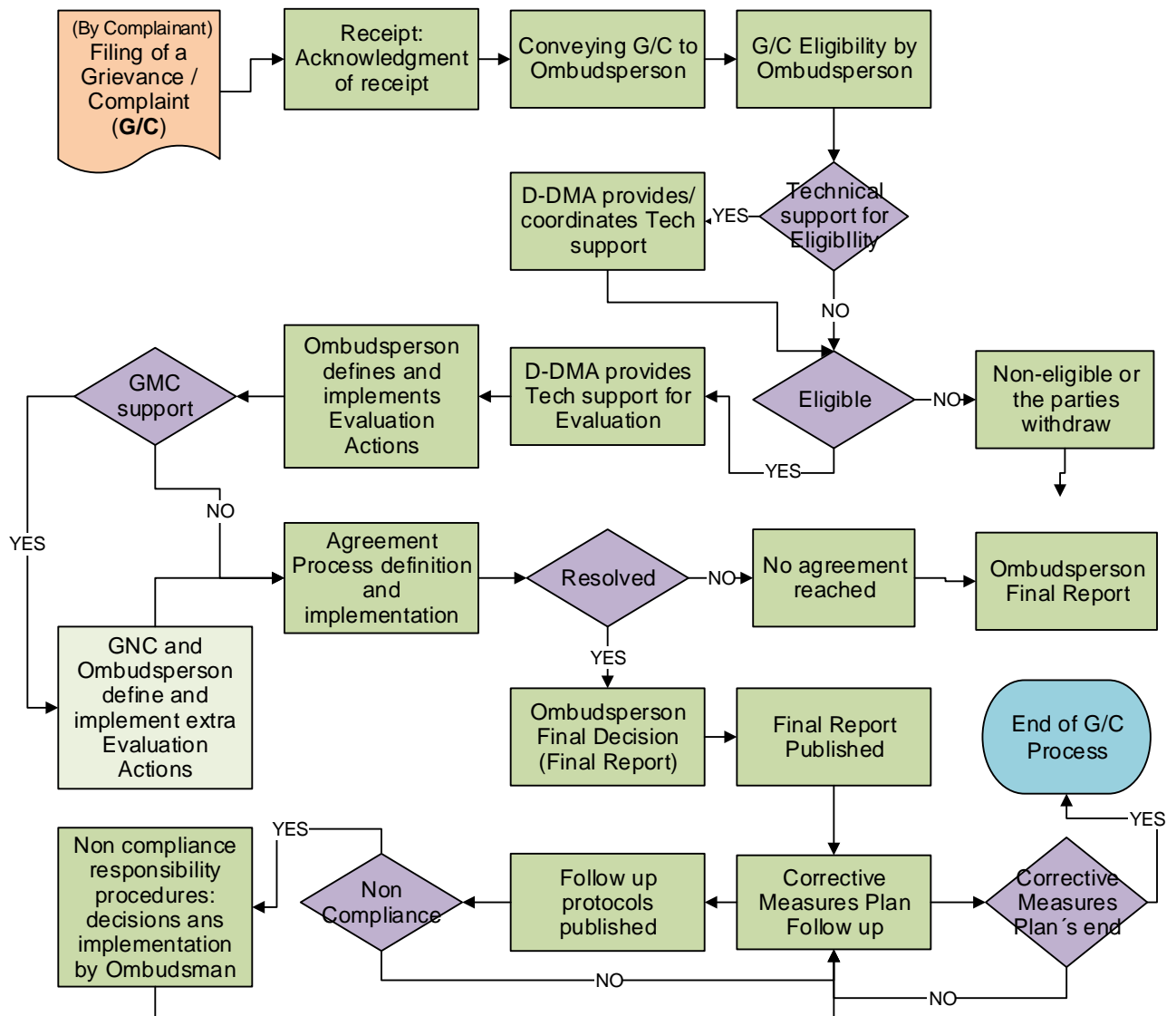
Follow-up

38. The OP shall take actions as required to ensuring: (i) The internal and external follow-up of any agreement whatsoever the parties may have entered into over the Receipt Acknowledgment of consultation; and (ii) That measures as appropriate are being taken to establish whether this agreement is being properly complied with.

39. The OP shall notify the GMC Chairperson, the Compliant and other stakeholders on the outcomes of his / her regular follow-up activities, and on any recommendations that may result therefrom.

40. Follow-up protocols and reports shall be posted on CAF webpage, and shall be recorded in the G/C Registry.

41. A graphic description of the Consultation Phase is shown in figure below.



#### Corrective Measures Plan and Timetable (CMP)

42. For each worrying aspect, or area of concern, the OP Final Report shall specify the corrective and remedial measures that should be duly implemented and that shall be considered mandatory by CAF-GEF Project Team. Also immediate, short-term, medium-

term priorities involved therein should be included, together with the estimated cost of corrective measures, to be paid for in full by the project applicant/executing entity, and the timeline for their implementation. Each CMP should be designed according to each particular area of concern, clearly specifying the corrective measure, its priority, the deadline for its implementation, and costs to be borne by the project applicant/executing entity.

43. Whenever the OP, in consensual agreement with GMC consider that carrying on with the processing or execution of a CAF-funded Operation may cause serious and irreparable harm, the GMC may recommend to CAF's CEO or to the Board, as appropriate, the suspension of procedures or execution of the project. The decision on this recommendation should be made by the administrative entity which has been authorized to that effect, subject to legal documentation and relevant CAF guidelines.

44. The final decision should be published on the CAF website, link DACC's CAF-GEF, and a copy of the report should also be conveyed to the GEF National Focal Point, to the GEF Secretariat, to the separate GEF Monitoring and Evaluation office, to the Project applicant/executing entity, and to stakeholders involved in the project.

45. In case the noncompliance condition may be identified, confirmed and described in the OP Final Report, and in the same way DACC officers have been confirmed responsible for such condition, the responsibility and accountability procedures and actions defined in the CAF-GEF Safeguard Operational Manual (Section 3.1.4) for situations this kind shall be applied.

#### Non-compliance of Safeguards

46. If the project executing entity fails to comply with commitments as spelled out in Environmental and Social Safeguards and in legal agreements being entered into with CAF, and counting on the technical support being provided by the respective Safeguards' CAF focal points, the Project team shall advise the applicant/executing entity and shall require it to proceed to comply with these Safeguards. If the applicant/executing entity insist on the non-compliance, the CAF team shall apply corrective measures as appropriate, including temporarily discontinuing the project, as described in CAF-GEF Safeguard Operational Manual (section 3.1.3).

47. This suspension shall be lifted if, and only if, the applicant/executing entity duly comply with the remarks being raised within a reasonable period of time to the satisfaction of the CAF team. If, ultimately, the applicant/executing entity refuses to comply with the remarks being made by the CAF team, the latter may suggest the definite suspension of the project, or some other corrective actions as appropriate. The latter shall be submitted to the CAF Complaints and Grievances System for their consideration, together with a detailed report on the matter to be drafted up by the CAF project team.

48. The report being conveyed to the Complaints and Grievances System should be published on the CAF website, under the CAF-GEF Projects link. A copy of this report should also be delivered to the GEF National Focal Point, to the GEF Secretariat, to the Project applicant/executing agency, and to stakeholders being involved in the project.

#### Follow-up and Oversight

49. The project applicant/executing entity shall both, set forth procedures as required to follow up management matters pertaining to Environmental and Social Safeguards, and to

measure their effectiveness. The applicant/executing agency's follow-up program shall be overseen by the CAF project team over the project execution stage. This oversight shall be adapted and shall be proportional to the project's potential environmental and social risks and impacts and to the Safeguards Compliance requirements. The project executing agency shall document follow-up outcomes and shall identify and particularize in the modified version of management programmes and plans, corrective and preventive actions as may be required. The executing agency shall perform those corrective and preventive actions and, to ensure their effectiveness, shall monitor them over the following monitoring cycles.

#### **XII.2.4. Measures to ensure compliance of Environmental and Social Safeguards**

50. Clause V.1.4.2 of the CAF-GEF project cycle as set out in the CAF-GEF Projects Management Manual rules that over the design stage of a project, the applicant should comply with the set of Environmental and Social Safeguards being associated with the project, and the latter's management.

51. Overall, Environmental and Social Safeguards set forth standards the Project applicant should abide by and comply with over the CAF-funded project execution time.

52. Other than abiding by requirements as provided for in CAF Environmental and Social Safeguards, project applicants shall also comply with the national environmental legislation as applicable, and with any international laws and covenants which may be binding to the host country, pursuant to global agreements being underwritten.

#### **Involvement of the Complaints and Grievances System**

53. The Complaints and Grievances Systems is the relevant mechanism to address community concerns and complaints regarding potential risks and adverse impacts the project may entail, as well as those complaints and grievances being submitted by the CAF project team and concerning the non-observance of the Environmental and Social Safeguards. People responsible for looking into complaints and determining suitable solutions should be other than the Staff in charge of the project management oversight.

54. The Project Ombudsperson (PO) and the Grievances, as well as the Complaints Management Committee – (GCM) have the authority to drawing up and adopting procedures as required to undertaking actions deemed relevant over the Consultation Phase.

55. Over the consultation phase, the Ombudsperson interacts with the complainant, or the project applicant/executing entity, or other local stakeholders to establish whether, together, the parties may find a mutually acceptable solution to the problem. The PO shall not uphold any agreement whatsoever which may be coercive to one or more parties, which contravenes CAF's own policies, or code of ethics, or violates the Environmental and Social Safeguards, national laws and/or international legislation and conventions.

56. The Annual audit for CAF-GEF Environmental and social Safeguards Compliance shall include within its scope the review of CAF-GEF Complaints and Grievances System.

**XII.2.5. Annexes****XII.2.6. Response process to documented breach of commitments established with regard to the management of Safeguards A\*S applicable to a project**

i. In case in which a member of the EPCG finds and documents a situation of breach of commitments established with regard to the management of Safeguards A\*S applicable to a project, it will be reported in writing, via e-mail (included the supporting documentation) to L-EPCG, to C-PCG and to CSAS-CG.

ii. As a whole L-EPCG, C-PCG and CSAS-CG, will analyze the breach and the support documentation and will qualify the breach of agreement to the following classification, issuing a technical memorandum with the results of the analysis and qualification:

a) Breach without precedents and without generating situations of environmental or social impact, or significant situations of environmental or social threat (the qualification of significant rests in L-EPCG's professional criterion, C-PCG and to CSAS-CG, and it must be justified with professionally qualified justification)

b) Breach with precedents and without generating situations of environmental or social impact, or significant situations of environmental or social threat (the qualification of significant rests in L-EPCG's professional criterion, to C-PCG and to CSAS-CG, and must be justified with professionally qualified justification).

c) Breach without precedents and with generation of situations of environmental or social impact, or significant situations of environmental or social threat (the qualification of significant rests in L-EPCG's professional criterion, to C-PCG and to CSAS-CG, and it(she) must be justified with professionally qualified justification.)

d) Breach with precedents and with generation of situations of environmental or social impact, or significant situations of environmental or social threat (the qualification of significant rests in L-EPCG's professional criteria, C-PCG and to CSAS-CG, and must be justified with professionally qualified justification).

e) NOTICES: In the event that documentary evidence of the breach is originated in a mistake or wrong approach: (1.) In the previous joint planning developed between PP and L-EPCG (2.) In the requirements or communications originated by members of EPCG, a period of agreement will be defined as noted in iv.a), this breach will not be counted against any future breaches. D-DACC will apply the beginning of internal control

iii. The C-PCG will report to the D-DACC, the Ombudsperson CAF the identified breach, attaching the support documentation and the technical memorandum with the results of the analysis and qualification mentioned.

iv. The Ombudsperson CAF will inform the PP via e-mail the situation regarding the identified breach, attaching the support documentation and the technical memorandum with the results of the analysis and qualification mentioned, explaining the implications, which will include:

a) The assignment of a time period to solve the situation of breach. The term will not be able to be greater than that established in the project planning that allowed for the activities to be completed. In the event that the established plan does not allow for the establishment of a time frame, the Ombudsperson CAF will assign a time period supported by professional guidance from the DACC team or from an external consultant, in the event that the DACC team does not possess needed expertise.

b) The presentation of the reasons of the breach and the presentation of a corrective action plan (with support documentation for implementation, report to be communicated to the Ombudsperson CAF, with copies C-PCG, L-EPCG and CSAS-CG) to solve the breach situation.

c) In case of breach with precedents and without having generated environmental or social impact, the incorporation of a corrective action plan, mentioned in b), the administrative modifications (changes in the procedures and / or instruments of management, additional training for responsible personnel, changes in the distribution of responsibilities, personnel changes, others) that seek to ensure that the breach situation is not repeated.

d) In case of breach without precedents and that generates environmental or social impact, or significant situations of environmental or social threat, the incorporation in the corrective action plan mentioned in b), the documentation of agreement with the those affected (for the situations of environmental or social impact, or b) in case of breach with precedents and that generates situations of environmental or social impact, or significant situations of environmental or social threat, the incorporation in the corrective action, mentioned in b), of: 1. The documentation of agreement with those affected (for situations of environmental or social impact, or significant situations of environmental or social threat) brings over from the measures of corrective action and of his/ her participation in the follow-up to the plan of corrective action (share); 2. Of administrative modifications like the mentioned ones above in c). The acceptance of a new corrective action plan alone be able to happen as long as receives documents the fulfillment of the previous plan of corrective action (share); otherwise the project will be cancelled. The implications of a third instance of the breach situation will result in the cancellation of the Project.

#### **XII.2.7. Processes of internal control in response to documented breach of commitments established with regard to the management of Safeguards A\*S applicable to a project**

I. During the first year of project implementation CAF-GEF, C-PCG will develop a document of lessons learned (for dissemination excluding PP), that will reflect lessons learned from the model of Management of Safeguards A\*S CAF-GEF. The persons in charge of development of the project idea, the L-EPCG, CSAS-CG, D-DACC and all the members of



EPCG are responsible for communicating monthly in writing to C-PCG the mistakes of learning, inconveniences, incoherence's, ambiguities, etc., as well as the opportunities for improvement found in the course of the project implementation of the CAF-GEF project. C-PCG will update the monthly lessons learned document, after authorization from D-DACC. After the first year, the communication to C-PCG before described, as well as the update of the document of lessons learned will be done quarterly.

ii. It is a responsibility of every member of the EPCG who finds a situation of breach of commitments established with regard to the management of Safeguards A\*S applicable to a project, to document and to report such a situation in writing, via e-mail (included the documentary supports) to L-EPCG, to C-PCG and to CSAS-CG. In a similar way, it is the responsibility of every member of the EPCG who finds a situation that could generate: 1. Breach of commitments established with regard to the management of Safeguards A\*S applicable to a project; 2. Environmental or Social impacts (or threats of them) not covered adequately by the measures of management of impacts foreseen, to document and to report such a situation in the same way.

iii. Before any reported situation as described in the previous paragraph, CSAS-CG will develop an investigation, which will report the reasons, persons in charge, corrective actions and preventive actions identified and will establish a plan of corrective actions (the corrective actions can include modification of project management documents and tools of the CAF-GEF). The report, after being checked and authorized by C-PCG, will be copied to D-DACC. CSAS-CG first, and C-PCG in second, are responsible for the follow-up to the above mentioned corrective action plan.

iv. It is D-DACC's responsibility to coordinate with C-PCG and with CSAS-CG implementation of activities for support, updating, training (in job training or undertaken by third parties), the development of documents and instruments and other solutions, in order to correct the causes identified of the reported situations according to the previous paragraph

v. During the first year of project development CAF-GEF, the members of EPCG identified with responsibility of the situations reported according to the paragraphs the immediately previous ii. and iii. will be an subjects of the support activities, updating, and training mentioned in the previous paragraph iv. This is valid exclusively for the first situation of the same type in which the member of EPCG participates and for situations that have not been included in the monthly lessons learned reports before the identified situation. Otherwise, the member of EPCG will be an object of the application of the internal control actions described below in the paragraph vi. immediately preceding.

vi. Facing actions of identified and documented responsibility, on behalf of a member of EPCG, that they have generated situations reported according to the paragraphs the ii. and iii. it is D-DACC's responsibility, in consideration of: (1.) The gravity and implications and consequences of the identified situation; (2.) The trainings received or experienced (different levels of training, communications, experiences); (3.) the responsibilities explicitly attributed to the member of EPCG; (4.) the predictable opportunities to avoid the situation; (5.) the opportunity and efficiency demonstrated in the remedy of the situation in consideration; (6.) the inexplicable or not justifiable levels of negligence committed,



absence of consultation or communication, to implement someone or several of the following control action:

- a) Verbal Admonition.
- b) Commitment to corrective action in the frame of his / her responsibilities.
- c) Written Memorandum of calling attention.
- d) Labor Suspension for up to one week.
- e) Suspension of his/ her responsibilities in the project.
- f) Study of labor termination, in consultation with the CAF authorities

### **XIII. GENDER MAINSTREAMING**

1. CAF's institutional mission is to promote sustainable development and regional integration of its member countries, through social inclusion and gender equity, the latter understood as equal treatment of women and men and equal access to resources and services through its operations.

#### **XIII.1. Guidelines**

2. In this context, these policies and procedures aim to ensure that Project Environmental and Social Assessment (ESA) include Gender Analysis (GA). This analysis will determine: (i) if socioeconomic benefits generated by the project are culturally adequate and generationally inclusive, both for women and men; (ii) if project generates different impacts and risks for women and men; (iii) an action plan comprising necessary measures to prevent, mitigate and/or compensate such impacts and risks.
3. Project proponent will be responsible for undertaking the GA. Thus, an expert or groups of experts independents and not involved with the project, will be hired when needed. GA's scope, extension and depth will depend on the nature, scale and possible social impacts and risks of the proposed project on gender issues; as well as on cultural and socioeconomic characteristics of project area.
4. Each Gender Analysis will be reviewed by Project Team.
5. When project proponent lacks necessary technical, human or legal capacities to carry out measures resulting from GA, institutional strengthening actions will be included.
6. Prior to the appraisal of the project all steps in the project planning process must have been completed. This includes all the public consultations and disclosure processes of ESA and other specific safeguard instruments.
7. The project proponent shall disclose draft and final plan(s) and other instruments (according to the specific requirements of each safeguard guidelines) and its updates, in a timely manner, before project appraisal, in an accessible place and/or media, and in a form and language(s) understandable to project affected groups, CSOs and other key stakeholders.

#### **XIII.2. Procedures**

##### Gender Analysis

8. For each proposed project, Project Team will carry out, as soon as possible, a gender analysis as part of the environmental and social assessment (ESA). Gender

Analysis will assess potential roles, benefits, impacts and risks for women and men of different ages, ethnicities, status y social structure. These studies results can be used, along with other reports, for project formulation, implementation, monitoring and evaluation. Terms of reference for gender analysis are presented don AnnexA.

9. In case adverse impacts occur for either women or men, measures to prevent, mitigate and/or compensate will be identified. Project Team will verify their inclusion both in project design and in ESIA/ESMP. In particular, it must be ensured that project takes into account:

- (a) Local circumstances that may affect the different participation of females and males in the project;
- (b) The contribution that females and males each could make to achieving the project's objectives;
- (c) The ways in which the project might be disadvantageous to one gender relative to the other; and
- (d) The project's proposed mechanisms for monitoring the different impacts of the project on females and males.

10. The Gender Indicators Proposal, presented in Annex B, may be used to carry out the monitoring and evaluation of Gender Analysis.

### **XIII.3. Annexes**

#### **XIII.3.1. Annex A. Terms of Reference for Gender Analysis**

11. Gender Analysis allows gender issues integration in project design. It requires of the following processes:

- (c) Data collection. The specialist will ensure that collected data are gender disaggregated. Sufficient data on gender issues should be gathered for appropriate project design. Data will be collected on such topics as:
  - (i) Government and agency policies on gender issues in general and project specific sector in particular
  - (ii) Summary of men's and women's status and roles in the project area, especially in activities relating to project sector
  - (iii) Inventory of existing community and NGO groups in the project area and men's and women's roles in each, including any women's organizations
  - (iv) Previous experience with designing and implementing gender-sensitive projects in the project area or in the country
  - (v) Women's and men's views on similar projects in the community
- (d) Project planning and design. Based on the information collected, the specialist will work with community members and other project team members to determine priorities and project activities. A special effort should be made to incorporate the findings of gender analysis into the project design. In particular, it is necessary to:

- (i) Ensure that project goals, objectives, processes, and activities are gender-sensitive and meet the needs and priorities of both community women and men.
- (ii) Identify constraints to women's participation and developing strategies to minimize or eliminate them.
- (iii) Make adequate staff and budget provisions for women's as well as men's involvement, including plans for hiring women staff, especially if men and women do not share public spaces together
- (iv) Develop a strategy for staff training in gender analysis (if staff have not yet been trained) and identify community training needs related to women's involvement
- (v) Where the project utilizes village committees, ensure that project design provides for their constitution in a gender-sensitive manner, including creation of separate committees for women, especially if men and women do not share public spaces together
- (vi) Ensure that both women and men are involved in key project decisions, such as the choice of technology, service levels, arrangements for O&M, etc.
- (e) Monitoring and evaluation. The specialist will make a proposal of monitoring and evaluation mechanisms for project progress review.
- (f) Report. The specialist will prepare a descriptive report presenting the main findings and making recommendations

### **XIII.3.2. Annex B. Gender Indicators Proposal**

12. This proposal is being articulated in the context of development interventions aimed to upgrading both, income and quality of life –under equality conditions- of women and men alike.

13. Table below illustrate the type of dimensions of change at each particular gender indicator level.

#### **Indicators: Dimensions of positive change by level**

Impact (long-term)	<ul style="list-style-type: none"> <li>Reducing workload and freeing up time to be spent in other activities.</li> <li>Increased income and personal and family quality of life.</li> <li>Increased self-esteem of women and men.</li> <li>Changing woman's status within the family, in the organization and the community.</li> <li>Increased participation of women in decision-making and access to power.</li> <li>Control of resources.</li> <li>Changing individual and group attitudes.</li> </ul>
Impact (Medium-term)	<ul style="list-style-type: none"> <li>Application of knowledge and abilities acquired over the technical assistance and capacity-building.</li> </ul>

	<ul style="list-style-type: none"> <li>• Access to project resources and services.</li> <li>• Upgrading individual capacity (men and women), and groups, which is required to achieving the impact insofar changes in practices and attitudes are referred to.</li> </ul>
Process (short-term)	<ul style="list-style-type: none"> <li>• New knowledge being acquired through capacity-building or technical advisory activities.</li> <li>• Coverage and access to project services.</li> <li>• Existence of mechanisms and means</li> </ul>

14. Impact Indicators Proposals. To achieving sustainable improvement and gender equity in access to markets, natural resources and income level of the poor population, together with community and local capacity.

15. Indicators.

- (a) Percentage of households (female-headed and male-headed) being served by CAF projects, according to variation in income being derived from the household's productive activity, by location or area.
- (b) Percentage of men and percentage of women, according to their capacity for income generation, in terms of: (i) their income is dependent upon a single activity; (ii) they have diversified their productive activity; (iii) their productive activity is sensible to market demands.
- (c) Average women's income vis-à-vis men's income.
- (d) Average income of rural (female-headed) households vis-à-vis the average income of rural (male-headed) households.
- (e) Percentage of farmers (women and men) who believe that men and women have the same abilities to do the same type of work.
- (f) Percentage of men and percentage of women who reduce their time spent on housework as a result of the implementation of time-saving technology or infrastructure.
- (g) Percentage of small- and medium-size producers (with a majority of men and a majority of women) who: (i) have on-going access to prices- and markets-related information; (ii) they jointly trade their own production; (iii) they become inserted into new markets.
- (h) Number of households (female-headed and male-headed) with an income higher than the poverty line vis-à-vis the initial situation.
- (i) Percentage reduction in the workload gap between women and men vis-à-vis the initial situation, by type of productive activity.
- (j) Percentage of households being served by the project with a redistribution of the domestic or reproductive work.
- (k) Percentage of men doing housework, by type of housework being done, time spent (hours per day), by type of household.
- (l) Percentage of women with increased availability of free time partaking in recreational activities.

- (m) Percentage reduction of the gap in the distribution of resources at household members level, in terms of: (i) food distribution, responsibilities in land management, access to water; income control and allocation.
- (n) Percentage of women making decisions on the use of income and household resources, in terms of: (i) having control over the use of income and determining expenses; (ii) being aware of household income; (iii) participating in the sale / purchase of equipment; (iv) partaking in investment-related decision-making.
- (o) Percentage of women members of organizations, by type of organization (growers, irrigators, business, municipal, communal and territorial), who are members of boards of directors vis-à-vis men.
- (p) Percentage increase in average revenue being generated by companies being managed by men vis-à-vis income being generated by companies being managed by women.
- (q) Percentage of women who make decisions on the use of the household income and resources, in terms of: (i) having control over the use of income and expenditure determinations; (ii) being aware of the household income; (iii) partaking in the purchase and sale of equipment; (iv) partaking in investment-related decision-making.
- (r) Number and type of non-farm jobs being generated by the project for men and women, according to the economic activity of the microenterprise, by work area and locality.

16. Proposal for component-based impact and process indicators. To upgrading production and productivity of producers, on the basis of access to financial services and upgrading resource management and productive infrastructure.

Level	Indicators
Impact	<ul style="list-style-type: none"> <li>Percentage of producers /users (men and women) having access to financial services who upgrade their productive at a low cost.</li> <li>Number of women according to their participation in the project's natural resource management strategies vis-à-vis men's participation vis-à-vis the initial situation; scale: (i) women have access; (ii) women manage; (iii) women control.</li> </ul>
Process	<ul style="list-style-type: none"> <li>Average amount of financial resources allocated to women producers or landowners vis-à-vis the average amount being allocated to men producers and landowners.</li> <li>Percentage of women and men having access to title deeds over the total number of applicants.</li> <li>Percentage of women, vis-à-vis the percentage of men who receive financial advisory, by type of advisory being received.</li> <li>Percentage of women household heads with their titled</li> </ul>

Level	Indicators
	<p>lands, vis-à-vis the total number of men household heads in an equal condition.</p> <ul style="list-style-type: none"> <li>Percentage of loans approved for men and women vis-à-vis the total number of applicants (by type of credit / financial institution); type of credit: individual, group of men, group of women, a mixed group.</li> <li>Percentage of annual reduction of the gap in access to financial services between men and women vis-à-vis the initial situation, and total number of applicants (disaggregated by type of fund).</li> <li>Percentage of women who have received financial services vis-à-vis the number of women who applied for those services, by type of service and financial mechanism.</li> <li>Number of men who have received financial services vis-à-vis the number of men who applied for those services, by type of service and financial institution.</li> <li>Type of mechanisms being applied for to facilitating women access to: information, land titling, financial services (the following are deemed to be mechanisms: communicational strategies, home visits, open councils, assemblies, adequacy of meeting times, etc.).</li> </ul>

17. To improving management and production capacity of stakeholders thus upgrading market insertion:

Level	Indicators
Impact	<ul style="list-style-type: none"> <li>Percentage of trained users (women and men) who upgrade their productive and administrative skills in terms of: (i) using accounting procedures; (ii) keeping sales and costs records; (iii) developing business plans and projects; (iv) becoming conversant with rules and procedures regarding their productive activity; (v) meeting commitments.</li> <li>Percentage of trained users (men and women) who upgrade their productive skills; (i) are aware of new production technologies; (ii) have access to information on prices and markets; (iii) have access to productive community infrastructure.</li> </ul>
Process	<ul style="list-style-type: none"> <li>Percentage of producers / users (men and women) who claim to have access to information on prices and markets, by product and type of information channel</li> </ul>

Level	Indicators
	<p>(technical tender, radio, press, internet, bulletin board, passacaglia, etc.).</p> <ul style="list-style-type: none"> <li>Percentage of men and women participating in internships, exchanges, courses, field trips and other non-formal capacity-building activities, by subject.</li> <li>Percentage of women over the total number of participants in capacity-building courses, per year.</li> <li>Number of capacity-building activities to which gender contents have been incorporated vis-à-vis the total number of capacity-building activities.</li> <li>Percentage of capacity-building applications being approved for men and for women, out of the total number of applications being acknowledged.</li> </ul>

18. To improve market insertion and competitiveness of men and women producers, fostering the setting up and strengthening up of microenterprises and other than farming businesses.

Level	Indicators
Impact	<ul style="list-style-type: none"> <li>Percentage of microenterprises being headed by a man or a woman who have access to the market according to competitiveness, in terms of: (i) their production responds to market demands; (ii) they use «clean» technologies, thus preserving the environment; (iii) they differentiate their products; (iv) they operated on a profit margin-basis.</li> <li>Percentage of microenterprises by type of microenterprise and according to the type of market they have access to: (i) they sell their products in the local market exclusively; (ii) they sell a share of their production in the regional market; (iii) they sell the whole of their production in regional markets.</li> <li>Percentage reduction in the access gap between men and women to funds granting financial assistance to business development, by type of fund.</li> </ul>
Process	<ul style="list-style-type: none"> <li>Percentage of business or microenterprises being set up by type of activity being performed by location or area.</li> <li>Percentage of women linked to microenterprises vis-à-vis the percentage of men, by type of activity being performed, by location or area.</li> <li>Percentage of microenterprises, by type of microenterprise, receiving financial resources.</li> <li>Number of micro-entrepreneurs (men and women) being provided capacity-building by the project by topic.</li> </ul>