



Environmental and Social Management System (ESMS)

Manual

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Document History

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Version 1.0	Released in May 2014	Released in May 2014
Version 1.1	Released in March 2015	Small adjustments to reflect changes in the PGS and roles & responsibilities; shortening by removing overlaps between Environmental and Social Management Framework (ESMF), the ESMS Manual and the ESMS Standards
Version 2.0	Released in May 2016	Consolidation of the ESMF and ESMS into one document (ESMS Manual), adjusted description of principles, alignment with Gender strategy, clarifications of scope and link to PGS, refinement of ESMS steps in the project cycle including their synchronisation with PGS, refinement or amendment of tools, guidance notes and templates for respective steps (including detailed guidance for ESIA, SIA, ESMP and monitoring), refinement of grievance and accountability sections, clarification of ESMS roles

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Preamble

The IUCN Environmental and Social Management System (ESMS) provides a systematic procedure to check IUCN projects for potential adverse environmental and social impacts to assure that negative impacts are avoided or minimised to the extent possible while positive impacts are stimulated. This document describes the ESMS principles and standards as well as procedures for implementing the system.

Mainstreaming environmental and social management within IUCN started in May 2016, following a two-year process of validating and updating an initial version of the ESMS that helped IUCN achieve accreditation as a Global Environmental Facility (GEF) Project Agency. The process included awareness building and training sessions among IUCN Secretariat staff and gathering first feed-back. In parallel, the ESMS was tested on all projects funded under IUCN's Integrated Tiger Habitat Conservation Programme as well as on IUCN projects being prepared for GEF funding. Input from the first feed-back round together with lessons learned from early ESMS application allowed for refinement and consolidation of the ESMS principles and standards and of procedures. The refined ESMS went through a final internal consultation with IUCN Secretariat staff and Commission members in February 2016 and the final version became effective in May 2016. The system documents – including this manual, the standards, templates and guidance notes – are posted on the IUCN external website to guide IUCN staff and partners in applying the ESMS to their projects.

Because the application of standards to manage environmental and social performance is a new experience, not only for IUCN but also for conservation organisations in general, the system will evolve and improve as valuable lessons come out of the first years of ESMS mainstreaming. A comprehensive evaluation is scheduled in four years to analyse the effectiveness of the ESMS and explore opportunities for improving the efficiency of its delivery mechanism. Regular reviews at shorter intervals will capture early lessons and might prompt small adjustments of the organisational structure, implementation procedures or guidance notes and templates.

Abbreviations

ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
FPIC	Free prior informed consent
GEF	Global Environment Facility
IFC	International Finance Corporation
IUCN	International Union for Conservation of Nature
PAAS	Project Appraisal and Approval System
PCMS	Project Complaints Management System
PGS	Project Guidelines and Standards
SIA	Social Impact Assessment

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1. Introduction

IUCN's mission is "to influence, encourage and assist societies throughout the world to conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable."¹ IUCN projects aim to achieve positive conservation and social outcomes, including benefits for communities that depend on natural resources. However, unwanted negative environmental and social impacts may occur when projects are implemented. Within the context of its mission, IUCN's intends to ensure that appropriate measures are taken to avoid or minimise negative environmental and social impacts while stimulating positive impacts.

To put this intention into practice, IUCN has established an Environmental and Social Management System (ESMS) as an intrinsic part of IUCN's project cycle. It provides systematic steps and operational tools for managing the environmental and social performance of projects implemented or supported by IUCN. The system allows IUCN to screen potential projects for negative environmental or social impacts and develop suitable measures to avoid, minimise, or compensate for these impacts. It also ensures that the implementation and effectiveness of mitigation measures are monitored and that any impacts arising during execution of the project are addressed.

The ESMS is guided by eight overarching principles and four standards that reflect key environmental and social areas and issues that are at the heart of IUCN's conservation approach. They form the core of the ESMS Policy Framework,² which governs the ESMS and determines the minimum environmental and social requirements for IUCN projects.

The ESMS principles and standards are rooted in IUCN environmental and social policies and IUCN World Conservation Congress (WCC) resolutions.³ They also draw on IUCN values, good practice tools developed by IUCN Secretariat programmes and IUCN Commissions and on lessons learned during IUCN's long tradition of working at the interface of conservation and social issues and human rights. The ESMS principles and standards consolidate objectives of the *Convention on Biological Diversity* as well as other relevant international conventions and agreements on environmental and social issues including the *Universal Declaration on Human Rights* and the *United Nations Declaration of the Rights of Indigenous Peoples*. The human rights aspects of the principles and standards have been further shaped by the work of the *Conservation Initiative on Human Rights* of which IUCN is an engaged member.⁴

The ESMS Policy Framework has also been influenced by policies and guidelines from other organisations such as the International Finance Corporation (IFC), the World Bank, World Wildlife Fund, Conservation International, the United Nations Environment Programme (UNEP), the Food and Agriculture Organisation of the United Nations (FAO) and the United Nations Development Programme (UNDP). The ESMS is fully compliant with relevant policies of the Global Environment

¹ IUCN Mission statement available at <http://www.iucn.org/about/>

² See the description of the ESMS Policy Framework in chapter 2.

³ The policies and resolutions influencing the ESMS principles are quoted chapter 2.1 and those shaping the ESMS standards are referenced in the four standard documents.

⁴ The Conservation Initiative on Human Rights was established in 2009 as a consortium of international conservation organisations (Birdlife International, Conservation International, Fauna & Flora International, IUCN, The Nature Conservancy, Wetlands International, Wildlife Conservation Society and World Wildlife Fund) to promote the integration of human rights in conservation policy and practice.

Facility (GEF) – specifically the GEF Policy for *Agency Minimum Standards on Environmental and Social Safeguards*⁵ and with relevant policies of the Green Climate Fund⁶.

The role of the ESMS Policy Framework, its roots and other influencing elements are summarised in Figure 1.

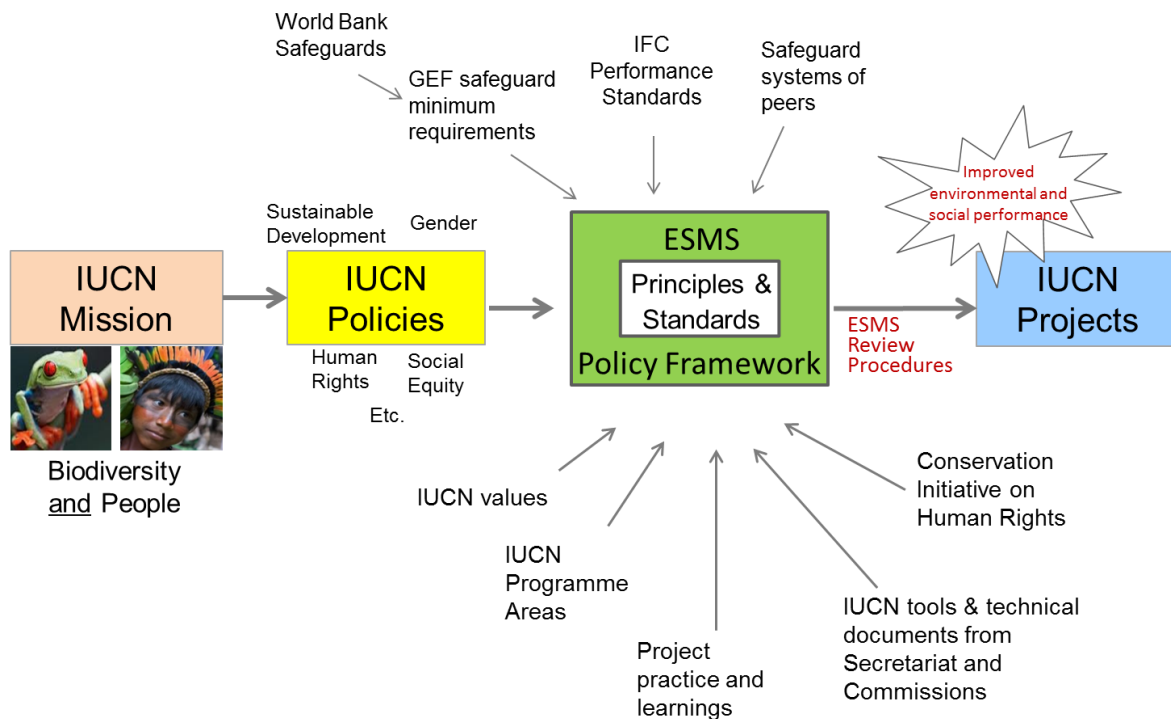


Figure 1: The role of the ESMS Policy Framework, its roots and other influencing elements

The ESMS Policy Framework is described in chapter 2, ESMS institutional and operational arrangements are outlined in chapter 3 and the integration of ESMS review procedures with the IUCN project cycle is described in chapter 4.

2. ESMS Policy Framework

At the core of the Environmental and Social Management System (ESMS) Policy Framework are eight ESMS principles and four ESMS standards as visualised in Figure 2. The ESMS principles and standards, which are described in detail in the following sub-chapters, reflect key environmental and social areas and issues which are at the heart of IUCN's conservation approach. While these elements form the core of the Policy Framework, thematic coverage of the ESMS risk identification

⁵ Global Environment Facility (GEF), 2015, Policy on Agency Minimum Standards Environmental and Social Safeguards, available at <http://tinyurl.com/GEFSafeguards2015>.

⁶ On an interim basis until the Green Climate Fund has developed its own environmental and social safeguards (ESS), the Fund adheres to the Performance Standards of the International Finance Corporation (IFC) available at <http://tinyurl.com/IFC2012PS>.

goes beyond these core areas to capture other possible negative social and environmental impacts and risks relevant in certain project contexts. Examples of such risk issues are shown in the outer frame of Figure 2.

A fifth standard is in preparation to address environmental or social risks of projects that do not adequately consider the effects of climate change. Until the standard is finalised these risks are captured while assessing for other social and environmental impacts.

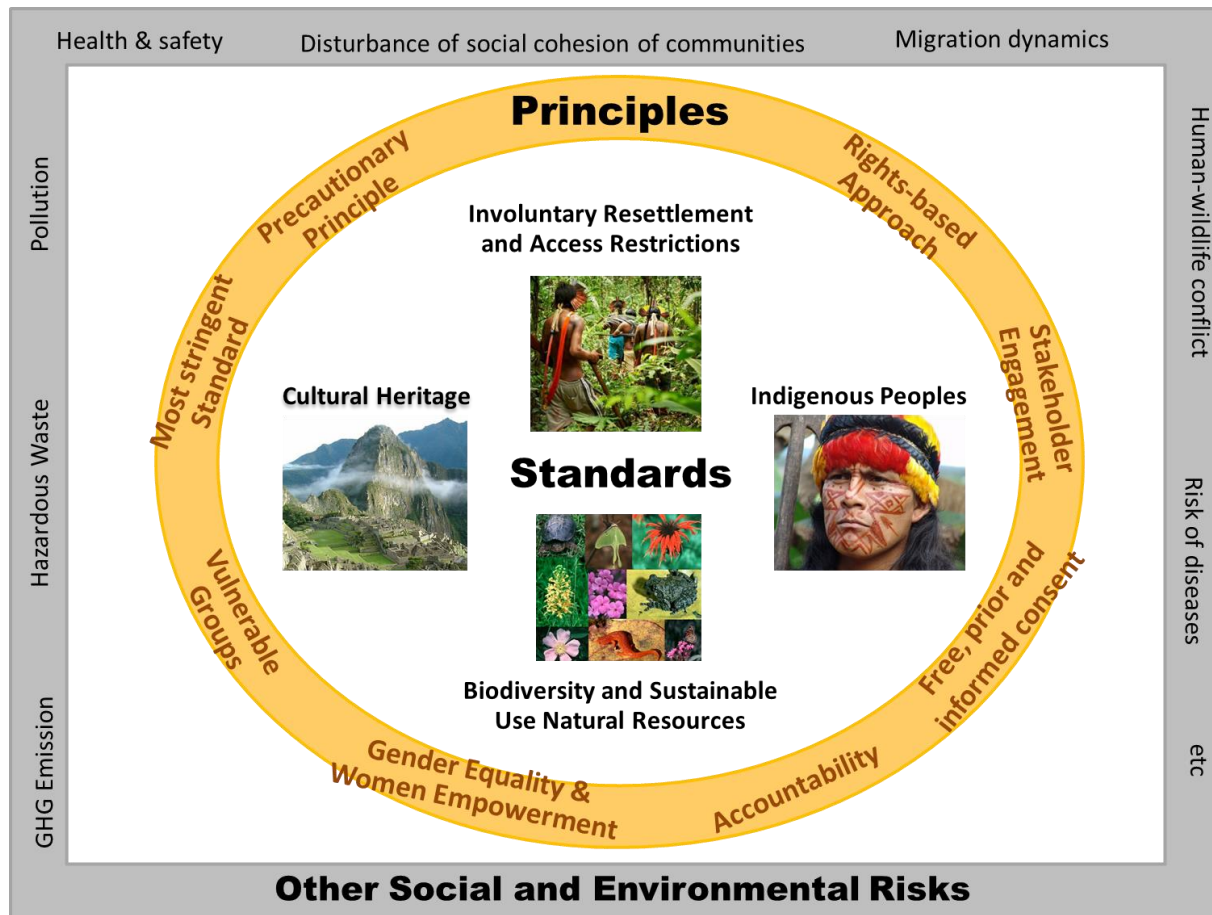


Figure 2: ESMS Policy Framework

2.1 ESMS Principles

The ESMS is guided by eight principles rooted in IUCN policies that provide high-level governance for IUCN projects. The role of the ESMS is to check the adherence of the design of IUCN projects to these principles. The principles also guide the implementation of ESMS activities such as the impact assessment process. The eight principles are: Taking a Rights-Based Approach; Protecting the Needs of Vulnerable Groups; Gender Equality and Women Empowerment, Stakeholder Engagement; Free, Prior and Informed Consent; Accountability; the Precautionary Principle and Stakeholder Engagement. They are described below.

2.1.1 Principle on Taking a Rights-based Approach

The rights-based approach guides an organisation to respect, protect and promote the fulfilment of human rights.⁷ The most prominent set of global normative standards on human rights is the human rights framework in the *Universal Declaration of Human Rights*⁸ and the two international Covenants on *Civil and Political Rights* and on *Economic, Social and Cultural Rights*.⁹

The Principle on Taking a Rights-Based Approach implies the promotion of ‘conservation with justice’. It recognises that activities and projects related to conservation can have both positive and negative impacts on human rights. The pursuit of conservation goals can contribute positively to the realisation of many fundamental human rights such as those related to access to water, health, food and shelter. This is particularly important for indigenous peoples and rural and urban communities whose livelihoods are directly linked to nature, and many other vulnerable and/or disenfranchised groups. Likewise, secure rights – for example, land tenure and participation in decision making – can enable more effective environmental stewardship. Conversely, conservation activities can generate negative impacts if human rights and well-being are not sufficiently understood or addressed. Weak fulfilment of rights can also undermine conservation outcomes. Hence, implementing a rights-based approach makes rights and conservation mutually reinforcing.

Applying the rights-based approach as an ESMS principle will ensure that IUCN projects are in observance of and show full respect for all fundamental human rights including social, economic and cultural rights, and do not contribute directly or indirectly to a deterioration of people’s livelihoods. Communities linked to areas and resources where IUCN projects take place should not be worse off as a result of these interventions.

Applying a rights-based approach requires honouring the rule of law and assessing the legitimacy of rights in statutory and customary legal frameworks. This is particularly relevant to situations where resource exploitation by local communities or individuals is driven by criminal practices instigated by outside forces. Criminal or illegal practices do not give origin to legitimate rights and entitlements, irrespective of the stakeholders involved. However, there may be cases where vulnerable communities and individuals find themselves with no other option to sustain their livelihoods than getting involved in illegal activities. These situations call for the need to provide alternative livelihood opportunities.

Implementing a rights-based approach implies assuring equality and non-discrimination. Because all individuals are equal as human beings by virtue of the inherent dignity of each person, they are entitled to human rights without discrimination of any kind, including by race, colour, sex, age, language, religion, political or other opinion, national or social origin, disability, property, birth or other status.

⁷ Office of the United Nations High Commissioner for Human Rights, 2012, *Human Rights Indicators – A Guide to Measurement and Implementation*, available at http://www.ohchr.org/Documents/Publications/Human_rights_indicators_en.pdf

⁸ United Nations, 1948, *Universal Declaration on Human Rights*, available at <http://www.un.org/en/universal-declaration-human-rights/>.

⁹ United Nations, 1966, *Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights*, available at <http://www.ohchr.org/EN/ProfessionalInterest/Pages/CESCR.aspx>.

The Principle on Taking a Rights-based Approach is more explicitly elaborated in three ESMS standards: the Standard on Involuntary Resettlement and Access Restrictions; the Standard on Indigenous Peoples and the Standard on Cultural Heritage. The Principle is rooted in particular in the guidance provided in the IUCN Resolution on *Rights-based Approaches to Conservation* (2008),¹⁰ the IUCN Policy on *Conservation and Human Rights for Sustainable Development* (2012)¹¹ and the “No Harm” principle established in the Resolution on *Conservation and Poverty Reduction* (2008).¹²

2.1.2 Principle on Protecting the Needs of Vulnerable Groups

Protecting the needs of vulnerable groups and attention to the root causes of vulnerability is important in identifying, avoiding, and mitigating adverse social and environmental impacts and in identifying opportunities to enhance social and environmental livelihood conditions. Depending on the project context, vulnerable groups could be composed of people who are landless or displaced, elderly or disabled, children, ethnic minorities, impoverished, marginalised or discriminated against. Reducing vulnerability, building resilience and promoting equity are at the core of IUCN’s approach to project design, assessment and implementation and take into account the social, economic, cultural and environmental causes of vulnerability, including climate change.

This principle is further elaborated in two ESMS standards: the Standard on Involuntary Resettlement and Access Restrictions and the Standard on Indigenous Peoples, and is strongly rooted in the IUCN Policy on *Social Equity in Conservation and Sustainable Use of Natural Resources* (2000).¹³

2.1.3 Principle on Gender Equality and Women Empowerment

Gender equality and women empowerment are integral to the achievement of IUCN’s mission and fundamental to realising human rights and social justice. IUCN systematically mainstreams its commitment to gender equality and women empowerment by prioritising gender-responsive measures throughout IUCN’s Programme and assessing the potential implications, benefits and risks for women and men of any planned action. With this approach, women’s and men’s concerns and experiences become an integral dimension to the design, implementation, monitoring and evaluation of policies and programmes, so that gender inequalities and inequities are not perpetuated or exacerbated.

Therefore, the IUCN Project Guidelines and Standards require that IUCN projects follow the IUCN Criteria on Gender Mainstreaming in that they:¹⁴

- incorporate a gender analysis;

¹⁰ IUCN, 2008, Resolution on *Rights-based Approaches to Conservation*, available at https://portals.iucn.org/library/sites/library/files/resrecfiles/WCC_2008_RES_56_EN.pdf.

¹¹ IUCN, 2012, Policy on *Conservation and Human Rights for Sustainable Development*, available at <http://tinyurl.com/IUCNPolicyConservation-HR2012>.

¹² IUCN, 2008, Resolution on *Conservation and Poverty Reduction*, available at https://portals.iucn.org/library/sites/library/files/resrecfiles/WCC_2008_RES_55_EN.pdf.

¹³ IUCN, 2000, *Policy on Social Equity in Conservation and Sustainable Use of Natural Resources*, available at https://cmsdata.iucn.org/downloads/sp_equity_policy.pdf.

¹⁴ See IUCN Project Guidelines and Standards (PGS), Version 2.2, Module 1, available at www.iucn.org/pgs

- incorporate specific plans and measures to secure and, when appropriate, enhance the economic, social and environmental benefits to women;
- design and implement gender equality measures in consultation with women in affected communities and gender experts with knowledge of local needs;
- include specific provisions to monitor impacts in all cases where it has been determined that women may be affected by project implementation and secure the services of qualified experts to guide this monitoring work, interpret data and information and advise on mitigating measures, if needed, during the course of project implementation;
- provide, when appropriate and consistent with national policy, for activities and measures that strengthen women's rights;
- consider activities and measures aimed at supporting host country compliance with its international commitments with respect to women's rights.

Implementing the ESMS Principle on Gender Equality and Women Empowerment means that projects are checked on the application of the criteria at certain points in the project cycle, in particular during the design phase. If gaps or gender risks are identified in the early planning stage (referred to as the ESMS screening, see chapter 4.1), project design will be reviewed and gender assessments or improvements undertaken. The ESMS check of the final project proposal (referred to as ESMS clearance, see chapter 4.4) verifies whether all identified concerns on gender issues have been addressed and integrated into the project proposal and its monitoring and evaluation framework.

2.1.4 Principle on Stakeholder Engagement

Meaningful, effective and informed participation of stakeholders in the development and implementation of projects is an essential principle of IUCN's project management practice. Engaging stakeholders as early as possible is important to understand their views and interests, establish a constructive relationship with relevant parties and enable stakeholders to take ownership of the project.

The right to engagement. From the ESMS perspective, stakeholder engagement has yet another meaning. Following the rights-based approach, meaningful participation in the formulation and implementation of a project must be seen as a genuine right of individuals and communities whose lives might be affected, positively or negatively, by the project. Therefore, the ESMS requires that a stakeholder engagement process ensures that:

- stakeholders' concerns are captured and potential risks are adequately identified;
- groups and peoples whose lives might be affected by the project are properly consulted to verify and assess the significance of any impacts;
- affected groups and communities participate in the development of mitigation measures, in decision making regarding their operationalisation, and in monitoring their implementation.

Levels of engagement. The scale (extent of audience reached) and depth (intensity) of stakeholder engagement should be commensurate to the concerns expressed or expected from stakeholders and the magnitude of potential risks. The general logic of stakeholder engagement is that there is an inverse relationship between the scale and the depth of engagement as the level of risk increases as

visualised in Figure 3. All stakeholders at a project site should be provided general relevant information about the project (level 1). Stakeholders who could potentially be affected by project activities must be consulted during the Environmental and Social Impact Assessment (ESIA) process to verify and assess the significance of adverse impacts (level 2). At this level, fewer people may be involved but they are more deeply involved. If risks and negative impacts are confirmed and judged as significant, affected stakeholders are not only consulted but are thoroughly involved in project design, including in the development of mitigation measures, and later in monitoring their implementation (level 3). If project activities take place on land, waters or territories to which stakeholders have recognised rights, a process of achieving free, prior and informed consent is needed (level 4). Free, prior and informed consent is the most rigorous and intense form of engagement as it entitles stakeholders to actually determine the outcome of decision making that affects them rather than merely being involved in the decision making process (see further details in chapter 2.1.5).

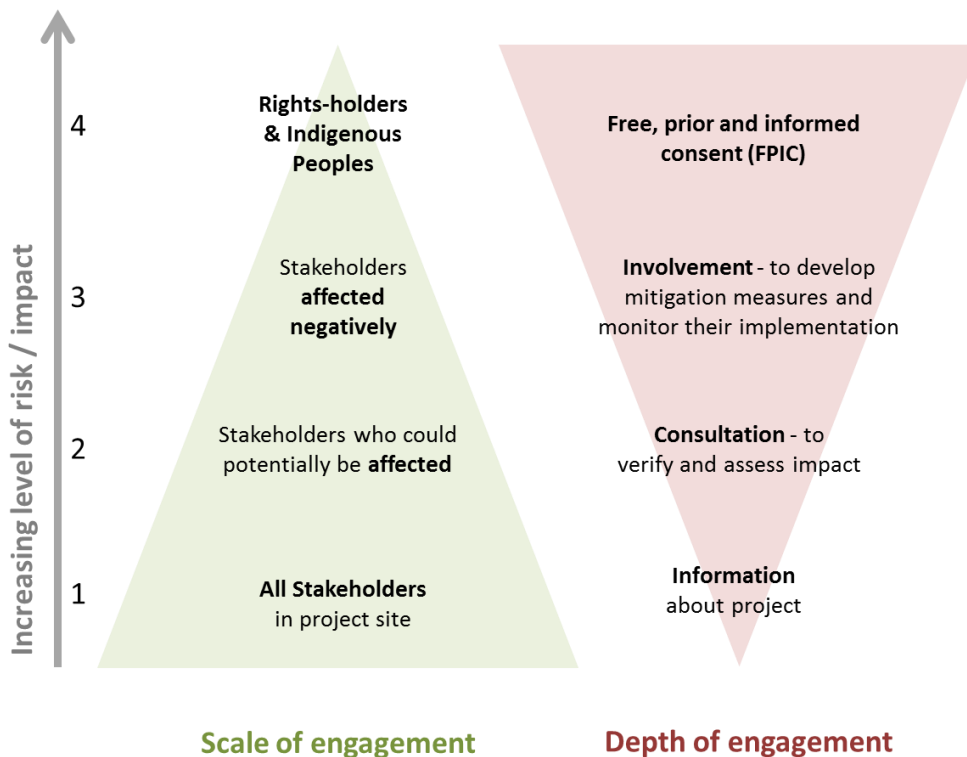


Figure 3: Scale (extent of audience reached) and depth (intensity) of stakeholder engagement

Figure 3 illustrates the general logic of engagement, but in practice the four levels are less clear-cut. Engagement strategies should be well tailored to individual stakeholder groups to reflect their concerns and their rights to land and natural resources and might need to be combined with awareness building, empowering and capacity-strengthening activities. The latter are especially important for affected individuals and communities in a politically weak position (e.g., indigenous peoples or vulnerable groups) and may require special mechanisms to facilitate full participation and consultation.

The ESMS operationalises the Principle on Stakeholder Engagement by establishing minimum requirements for disclosing information about the project and for public consultation for the steps of the ESMS review process.¹⁵ Implementation of the principle must adhere to the following guidance:

- Information must be relevant to stakeholders and reveal not only general information about the project (e.g., purpose, duration, scale, proposed activities), but also potential risks for communities and planned mitigation measures.
- Disclosure of information must occur in a reasonable timeframe to allow stakeholders to process this information and – if applicable – raise concerns.
- The form of disclosure must be targeted to the audience (particularly to affected groups) in the appropriate language and channels of communication.
- Consultation must be carried out in a culturally appropriate, non-discriminatory and gender-sensitive manner, free of external manipulation, intimidation or coercion.

2.1.5 Principle on Free, Prior and Informed Consent

In IUCN's ESMS, free, prior and informed consent (FPIC) is the right of a party with legitimate rights to their lands, territories and resources to freely grant authorisation to another party, within existing legal frameworks (including customary law), for the execution of certain activity that implies access to, and use of, tangible or intangible resources of the party granting authorisation, or that may affect such lands, territories and resources. Often used in the context of indigenous peoples, in IUCN's ESMS FPIC applies also more broadly to other rights-holders such as local communities. This also implies that FPIC's application is not limited to countries where indigenous peoples are recognised and formal FPIC procedures are in place.

As indicated above FPIC is needed when project activities take place on land, water or territories to which stakeholders have recognised formal rights or legitimately claimed customary rights, hence are considered right-holders. More concretely FPIC applies whenever project activities:

- take place on lands, waters, or territories of indigenous peoples or other communities with legal (including customary) rights and entitlements to such lands, waters, or territories;
- may have negative economic, social, cultural or environmental impacts on indigenous peoples;
- involve the use of traditional knowledge of indigenous peoples or other local communities; or
- promote the development and generation of social or economic benefits from cultural heritage sites or resources to which communities have legal (including customary) rights.

The components of free, prior and informed consent are described below.

Free. Consent must not be imposed or manufactured, but obtained through free consultation and voluntary expressions of the communities. Consensus should be reached in accordance with indigenous peoples' or communities' norms including customary law and practices, free from any intimidation, manipulation or coercion.

¹⁵ The requirements are described in chapter 4 and summarized in chapter 4.6 in table 5 (disclosure) and table 6 (consultation).

Prior. Consultation requires time and an effective system for communicating among interest holders. The emphasis on ‘prior’ underlines the importance of initiating consultations as early as possible and providing adequate time for indigenous peoples’ and communities’ own decision-making processes to inform steps of the project cycle.

Informed. The principle requires that indigenous peoples or other affected communities are informed about the nature, duration and scope of the proposed project, the location of areas that will be affected, potential impacts (positive and negative) on their lands and resources and implications for their economic, social and cultural rights and well-being. Communities should also be informed about their rights under national law and under the standards and procedures of all agencies involved in the proposed intervention (including IUCN’s ESMS).

Consent. Communities are asked to consent to a project or a particular activity and have the right to give their consent, withhold it or offer it conditionally. Consultation must be undertaken in good faith. The parties should establish a dialogue to find appropriate solutions in an atmosphere of mutual respect, and full and equitable participation. Indigenous peoples and communities should be able to participate through their own freely chosen representatives and customary or other institutions and access technical or legal services if needed. Consent should not be limited to individuals, but should include the collective voice of indigenous communities through customary institutions, local authorities, formal organisations or collective decision-making processes. If representation is questioned by communities, complementary processes may be needed, for example grassroots consultations with affected groups taking into account both gender and age dimensions.

Gender issues and non-discrimination. In line with the ESMS Principle on Gender Equality and Women Empowerment, the FPIC process should give attention to the needs and concerns of women and assure that women are equally engaged by involving legitimate and representative women’s organisations and networks. The process should respect prevailing social norms and practices and provide time and resources to allow for effective participation of women in analysis and decision making. The exercise of FPIC should not infringe the rights and fundamental freedoms of all members of the communities, including women and vulnerable groups. Full respect of rights and non-discrimination apply in the context of FPIC.

The application of FPIC is largely rooted in the guiding principles in the IUCN Policy on *Conservation and Human Rights for Sustainable Development* (2012)¹⁶ as well as in IUCN’s endorsement of the *United Nations Declaration on the Rights of Indigenous Peoples*.¹⁷ For more information, see ESMS Guidance Note on Free, Prior and Informed Consent.¹⁸

2.1.6 Principle on Accountability

To guarantee that the ESMS principles, standards and review procedures are consistently followed in project design and implementation, IUCN has created an organisational structure to operationalise the ESMS and mechanisms to assure internal control and enforcement of compliance. Accountability is

¹⁶ IUCN, 2012, Policy on *Conservation and Human Rights for Sustainable Development*, available at <http://tinyurl.com/IUCNPolicyConservation-HR2012>.

¹⁷ United Nations, 2007, *Declaration on the Rights of Indigenous Peoples*, available at <http://tinyurl.com/UNDRIP2007>.

¹⁸ ESMS Guidance on Free, Prior and Informed Consent is currently in preparation, will be available at www.iucn.org/esms.

further reinforced by actively enabling feed-back from external parties. This includes establishing public disclosure requirements (see chapter 2.1.4) to assure public access to relevant information about a project and a dedicated mechanism to capture concerns or grievances related to an IUCN project's lack of compliance with the ESMS. By providing a transparent, timely and effective procedure for response and for corrective and remedial actions, IUCN assures people who fear or suffer from adverse impacts access to justice and redress.

The institutional arrangements for assuring internal enforcement are explained in chapter 3.3.1 and the grievance mechanism is described in chapter 3.3.2.

2.1.7 Principle on the Precautionary Principle

Following IUCN's Guidelines for *Applying the Precautionary Principle to Biodiversity Conservation and Natural Resource Management*, adopting this principle in the context of the ESMS means that if knowledge gaps or uncertainties exist about potential environmental or social impacts, a project will be conservatively assigned a higher-risk level during the ESMS screening to allow for a rigorous and participatory assessment. If, after the assessment, uncertainty about adverse social or environmental impacts persists, either major design changes will be undertaken or the project will be cancelled.

However, acting with precaution should not lead to avoiding or postponing projects and measures aimed at preventing environmental degradation. The IUCN Guidelines state that the precautionary approach should "guide a constructive search for alternatives and practical solutions, and support positive measures to anticipate, prevent and mitigate threats. The potential benefits and threats raised by available courses of action and inaction should be assessed." Threats may be associated with any course of action and the "decisions involve a choice between 'risk and risk' rather than between 'risk and caution'. In assessing the likely consequences of alternative courses of action and inaction the technical feasibility of different approaches should be taken into account."¹⁹

The IUCN Guidelines also call for using an adaptive approach in the face of uncertainty and inadequate evidence about potential threats which means careful monitoring and periodic review to provide feedback, allowing decisions to be amended in the light of feedback and new information.

2.1.8 Principle on Precedence of the Most Stringent Standards

The ESMS procedures and standards will be applied in conjunction and in compliance with applicable legislation of the host country concerning environmental and/or social assessment and human rights, social and gender equity matters including laws implementing the host country's obligations under international laws. If ESMS standards and procedures are more stringent than those of national laws and regulations, or of financier standards, IUCN projects must adhere to the IUCN ESMS standards and procedures.

¹⁹ IUCN, 2007, *Guidelines for Applying the Precautionary Principle to Biodiversity and Natural Resource Management*, available at http://cmsdata.iucn.org/downloads/ln250507_ppguidelines.pdf.

2.2 ESMS Standards

IUCN's four ESMS standards reflect the environmental and social policy areas of highest concern to IUCN and address areas where IUCN projects might fall short in implementation. The four standards are: the Standard on Involuntary Resettlement and Access Restrictions; the Standard on Indigenous Peoples; the Standard on Biodiversity Conservation and Sustainable Use of Natural Resources; and the Standard on Cultural Heritage. These four standards are published as separate documents on the IUCN external website. Each document explains a standard's underlying policies, objectives and specific requirements on how to assess and manage associated social and environmental risks. The standards are summarised in Table 1.

Table 1: Summary of the four Environmental and Social Management System standards

Standard	Application
Involuntary Resettlement and Access Restrictions	<p>Applies to projects whose conservation objectives require or imply (1) resettlement of communities or (2) restricting access to land or natural resources and could potentially cause economic or livelihood losses. It includes restricting:</p> <ul style="list-style-type: none"> • access to and use of natural resources by communities, groups or individuals; • physical access to areas of occupation or use; or • access to social services such as education or health services by prohibiting or limiting physical access to those places. <p>Assures that projects will not lead to negative impacts on the rights and livelihoods of peoples.</p>
Indigenous Peoples	<p>Applies whenever indigenous peoples are present in or have collective attachment to a proposed project area or could be affected negatively by the project (even without being present in the project site). Uses a broad definition of 'indigenous' and assures that indigenous peoples' social and cultural identity, customs and institutions are fully respected and that the project does not negatively impact their rights and livelihoods.</p>
Biodiversity Conservation and Sustainable Use of Natural Resources	<p>Applies to projects that may inadvertently have direct or indirect adverse impacts on biodiversity at all scales from genes to landscapes and on ecosystem functions and services. This includes projects that:</p> <ul style="list-style-type: none"> • may affect biodiversity in protected areas, in areas not formally protected but important for their biodiversity value and/or are managed as such by local communities, as well as in other areas of particular importance for biodiversity conservation; • involve the introduction or reintroduction of species; • involve environmental risks when restoring or modifying of ecosystems outside protected areas, including projects impacting the hydrological cycle; • involve the use of living natural resources – harvesting wild living resources as well as cultivating plants and animals or establishing sustainable use schemes.
Cultural Heritage	<p>Applies to projects that could adversely affect cultural heritage defined as tangible, movable or immovable cultural resources or natural features of historical, cultural, spiritual or symbolic value. Addresses the following threats or issues:</p> <ul style="list-style-type: none"> • potential damage to cultural resources when undertaking small scale construction – in particular when excavations, movement of earth or flooding are involved and resources may be hidden; • access restrictions to cultural resources by communities with traditional access rights; • development and use of greater social or economic benefits from cultural heritage.

2.3 Definition of risk and risk-assessment approach

The ESMS defines environmental or social risks of proposed projects as potential negative impacts:

- on communities and peoples' rights, livelihoods and well-being, and/or
- on the physical, natural, socioeconomic or cultural environment.

Scope of the risk. Negative impacts may be caused directly by the activities of a proposed project, or indirectly as knock-on effects or cumulative impacts that materialise through interaction with other developments. Further, the ESMS considers not only impacts occurring at the project site but also impacts exerted within the project's wider area of influence²⁰, including transboundary impacts, and impacts that may be triggered after project implementation as a succession of effects.²¹

Areas of risk. The identification of potential impacts is guided by the ESMS standards and principles that reflect key issues at the heart of IUCN's conservation approach – such as adverse impacts on women and on vulnerable groups, on people's livelihood through access restrictions or resettlement, on indigenous peoples, on cultural heritage and on biodiversity. However, the thematic coverage of the ESMS is wider than the issues covered in the principles and standards and includes other negative environmental and social impact and risk issues. Examples for *social risks* are

- the potential of project benefits leading to discrimination or marginalisation of certain groups,
- increase in vulnerability due to economic losses of people's or community assets such as crops, livestock or infrastructure (e.g., through damages from wildlife)
- disturbances to patterns of social relations and social cohesion,
- child or forced labour,
- community health and safety issues including risks of diseases, injuries or death (e.g., through human-wildlife conflicts) and/or
- adverse impacts on public infrastructure essential for basic needs.

The screening for risks also considers *environmental risks* not covered in the Standard on Biodiversity Conservation and Sustainable Use of Natural Resources such as pollution, hazardous waste and greenhouse gas emissions. Where relevant, the identification of risk may draw on established guidelines from other safeguard systems such as the industry-specific guidelines of the International Finance Corporation.²²

A fifth standard is in preparation to address environmental or social risks of projects that do not adequately consider the effects of climate change. Until the standard is finalised these risks are captured while assessing for other environmental and social impacts.

²⁰ See definition of wider area of influence in the glossary.

²¹ While the future cannot be foreseen, the assessment should take into consideration scenarios that are technically or scientifically robust enough to make reasonable predictions.

²² These guidelines cover sectors such as crop production, aquaculture or mammalian livestock production, available at <http://tinyurl.com/IFCIndustryGuidelines>

Risk-assessment approach. The ESMS risk management approach requires a pre-assessment of potential negative impacts (referred to as ESMS screening) at an early stage of project design. This is followed by a more in-depth Environmental and Social Impact Assessment (ESIA), if potential issues were identified. The pre-assessment assures that the scope and quality of the ESIA process is proportionate to the complexity of the project and the nature and scale of risks: the level of effort is highest for projects that are identified during screening as high-risk projects and lesser for projects classified as moderate-risk projects; for low-risk projects, development can proceed without further assessments. This approach, explained in more detail in chapter 4, is fully compatible with the assessment procedure in Minimum Standard 1 of the GEF Policy on *Agency Minimum Standards on Environmental and Social Safeguards*.²³

3. Institutional and operational arrangements for ESMS

This section describes the scope of projects covered by the ESMS, how ESMS requirements fit into the IUCN project development cycle, and how IUCN holds itself accountable for implementing the ESMS requirements including its grievance procedures.

3.1 Scope of the ESMS

The provisions of the ESMS are applicable to all projects where IUCN is the entity legally responsible for the project, irrespective of the type of project implementation arrangement in place or the entities involved in its execution. This includes the following arrangements:²⁴

- projects developed and executed by the IUCN Secretariat or Commissions;
- projects funded by the Global Environmental Facility for which IUCN acts as the Project Agency and other organisation(s), including IUCN Members, execute the project activities;
- projects executed by other agencies, including IUCN Members, subcontracted by IUCN; and
- projects developed and executed by other agencies (grantees), including IUCN Members, where IUCN acts as a grantor, channelling funding from a donor to the executing agencies.

The following terms and definitions are used:

- IUCN projects: all projects for which IUCN is the entity legally responsible;
- Executing entity: the entity managing a project;
- Project proponent: the entity in charge of designing the project;²⁵
- Project: a "time-bound set of activities designed to achieve results and deliver impacts. Projects are the means by which the IUCN Programme is implemented and projects are identified based on the needs of the Programme."²⁶

To apply ESMS requirements commensurate to the risks in a project, a full ESMS application starting with the screening carried out by the IUCN ESMS Coordinator (see chapter 4.1) is applied only to

²³ GEF, 2015, Policy on *Agency Minimum Standards on Environmental and Social Safeguards*, available at <http://tinyurl.com/GEFSafeguards2015>.

²⁴ These implementation arrangements serve as illustration. It is understood that some of them overlap and that further variations exist.

²⁵ A project proponent proposes a project and develops the concept and proposal, but is not always the one who manages the project.

²⁶ IUCN Project Guidelines and Standards (PGS), Version 2.2., available at www.iucn.org/pgs

larger projects (those with a budget above CHF 500,000).²⁷ Projects below this threshold are subject to self-assessment by the project proponent guided by a questionnaire to detect potential risks; if risks are identified, the ESMS is triggered requiring full ESMS application.

While activities such as providing technical assistance or training may seem without environmental or social risks, it is important to consider the possible impacts of the application of provided advice, strategy or training. While being outside the managerial responsibility of IUCN, those activities might bear risks of spurring – sometimes even significant – social issues.

IUCN projects often involve partners who contribute in-kind resources or co-funding. Partners operate within their own policy framework; however, all projects for which IUCN is the legally responsible entity must ensure that they are in full compliance with the ESMS. If partners do not commit to the ESMS or their policies or practices violate ESMS principles and standards, IUCN must not enter into a project partnership with them.

3.2 How the ESMS fits into the IUCN Project Guidelines and Standards

The ESMS is operationalised through a sequence of review steps which are explained in chapter 4 and summarised in Table 2. To ensure systematic application of the ESMS, these steps are integrated into the project cycle established by the IUCN *Project Guidelines and Standards (PGS)*.²⁸ Two of the ESMS steps represent decision points that inform the project approval stages of the IUCN Project Appraisal and Approval System (PAAS) as indicated in the right-hand column.

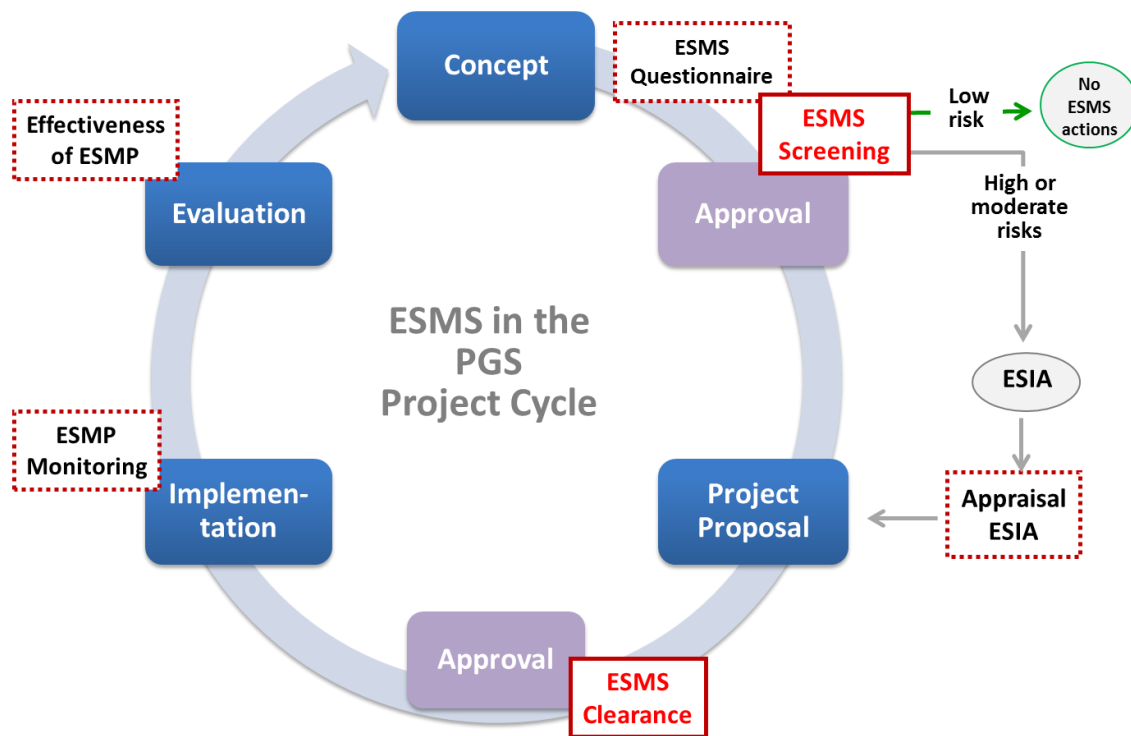
Table 2: ESMS review steps in the IUCN project cycle and decision points informing PAAS

Project Cycle	ESMS Review Steps	ESMS Decision Points informing PAAS
Identification & Conceptualization (project concept)	Complete ESMS Questionnaire	
	ESMS screening of project concept	Decision on the project’s risk level and whether an Environmental and Social Impact Assessment (ESIA) is required – as input to the approval of the project concept.
Development of Project Proposal	Implement ESIA	
	Appraise ESIA Report	
	ESMS clearance of project proposal	Decision on whether the project proposal meets the ESMS provisions – as input to the final approval of the project.
Implementation & Monitoring	Implement mitigation measures and monitor progress	
Evaluation	Evaluate effectiveness of mitigation measures	

²⁷ The threshold value is set tentatively at CHF 500,000. Its effectiveness in guiding ESMS application (e.g., filtering out low-risk projects) will be reviewed at the end of the first year of ESMS mainstreaming.

²⁸ Available at www.iucn.org/pgs.

First decision point. The first decision point, the ESMS screening, takes place once a project concept is available. The screening is a pre-assessment of potential negative impacts and determines the project’s risk level (low, moderate, or high) and whether further assessments are required. As visualised in Figure 4, projects classified as high- or moderate-risk projects require an Environmental and Social Impact Assessment (ESIA), low-risk projects require no further ESMS actions.



Note: ESMS = Environmental and Social Management System, ESIA = Environmental and Social Impact Assessment, ESMP = Environmental and Social Management Plan.

Figure 4: ESMS review steps and decision points in the PGS project cycle

The ESMS screening is based on a project concept which, according to the PGS, should entail a short situation analysis including a description of the physical, biological, socio-cultural, economic and governance context and a description of the proposed project’s goal and objectives, expected results, outputs (project deliverables) and main activities. It is important that this level of detail be available for the ESMS screening because identifying risks requires a minimum knowledge of the project setting and project design.

Second decision point. The ESMS clearance of the project proposal is the second decision point. It assesses whether the findings of the ESIA are appropriately addressed in the project proposal and whether adequate measures for avoiding or managing risks are provided. ESMS clearance takes place prior to the final project approval step (see Figure 4).

As defined by the PAAS, these two ESMS decision points – ESMS screening and ESMS clearance – which are formalised through sign-off sheets – are prerequisites for the final approval of a project

concept and proposal, respectively. As such the ESMS considerations become an integral part of the approval decisions. If the predicted negative social or environmental risks are considered too high, the approval body²⁹ might decide to reject the project.

To avoid delays, project proponents should submit the project concept to the ESMS Coordinator at least two weeks prior to the date when the approval body is expected to make a decision. It is recommended that the ESMS Coordinator be made aware of an upcoming ESMS screening before the concept is finalised so that screening can be planned and availability of ESMS experts assured. The timing of the ESMS clearance needs to be tuned to the date foreseen for the project approval and respective documents should be submitted to the ESMS Coordinator at least two weeks prior to the that date.

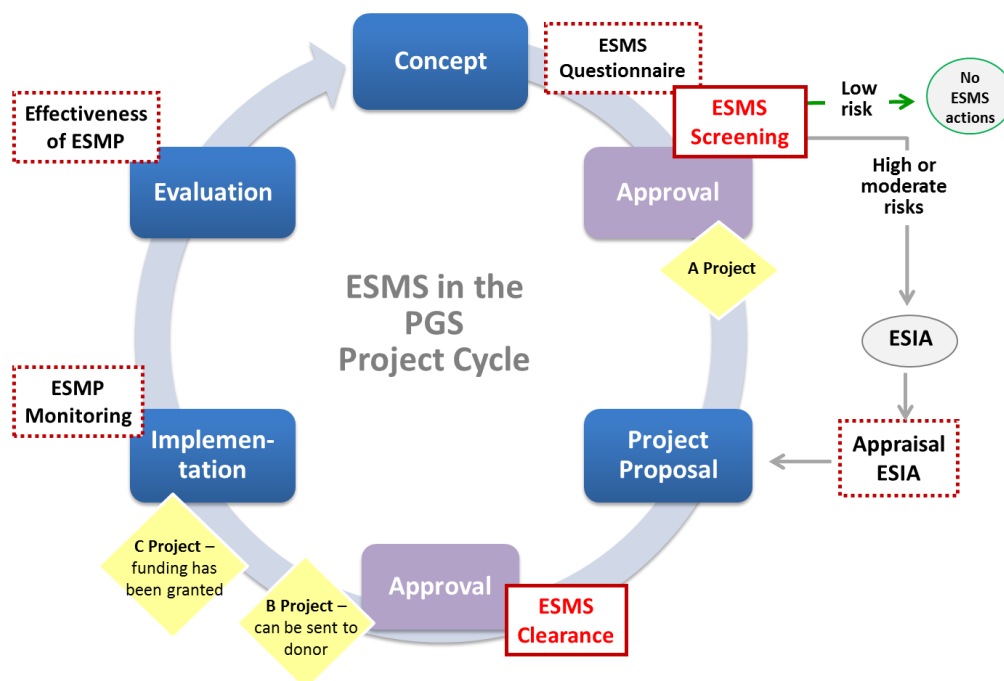
In exceptional circumstances (as described in the IUCN *Project Guidelines and Standards*) a project may skip the concept stage. In this case the timing of the ESMS screening is determined by the Regional Programme Coordinator for a project developed by a regional programme, by the Global Programme Director for projects developed by a Global Thematic Programme, and by the Commission Focal Point for projects put forth by a Commission. The decision about the timing should consider that the ESMS screening requires that enough detail about the project design is available (hence not too early), but also that there is sufficient time before finalising the project proposal to carry out the ESIA (if required).

ESMS steps in relation to the ABC listing. As described above, the ESMS screening is done once a project concept is available, but before the concept has been approved internally. Only after the concept has been approved, is a project listed as an 'A' project on the ABC list. The ABC list designates projects as A, approved; B, eligible to be sent to a donor; and C, funded. The ESMS steps in relation to the ABC stages of a project (yellow) are shown in Figure 5.

As project proponents develop a proposal, they usually have an idea of who might fund the project and may have had early discussions with potential donors. Because an ESIA can be a significant investment, it should be started only after project proponents have a fairly good idea about the probability of the project being funded. Early negotiations with donors might be used to propose a project preparation grant to cover the costs of an impact assessment.³⁰

²⁹ The approving body varies by size of project and is specified in the Delegation of Authority (DOA) - see IUCN Project Guidelines and Standards (PGS), Version 2.2., available at www.iucn.org/pgs

³⁰ Projects funded by GEF often come with a project preparation grant which can be used for contracting external expertise (e.g. for an ESIA).



Note: ESMS = Environmental and Social Management System, ESIA = Environmental and Social Impact Assessment, ESMP = Environmental and Social Management Plan.

Figure 5: ESMS steps in relation to the ABC stages of IUCN projects

3.3 Accountability

IUCN assures compliance with the ESMS through specific institutional arrangements put in place for the operationalisation of the ESMS and through a dedicated grievance mechanism.

3.3.1 Institutional arrangements

This section describes the institutional arrangements – roles and responsibilities, recordkeeping, contractual obligations, and protection against retaliation – that IUCN has put in place to ensure accountability.

Roles and responsibilities

The IUCN Secretariat has overall responsibility for operationalising the ESMS. In that role, the Secretariat guides the ESMS review procedures along the project cycle (see chapter 4) and identifies the need for undertaking an assessment of environmental or social issues. It delegates responsibilities as noted below. The project proponent must assure that the designated assessments, which can be contracted to external experts, are carried out, and that the resulting mitigation measures are implemented once the project has started.

ESMS Coordinator. The operationalisation of the ESMS is ensured by the ESMS Coordinator who is part of the IUCN – GEF Coordination Unit and who is supported by a global team of IUCN experts (ESMS Expert Team). Members of the ESMS Expert Team are drawn from IUCN Secretariat’s regional and global programmes.

Besides coordinating the ESMS review procedures, the ESMS Coordinator also strengthens ESMS awareness, provides capacity building, advises IUCN staff and partner organisations on ESMS application and disseminates tools and best practices. The Coordinator further monitors ESMS application and guides the process of continuous enhancement of the system.

Director PPG. Within the IUCN Secretariat, ESMS implementation is overseen by the Global Director, Policy and Programme Group (Director PPG) who assumes the role of Compliance Officer ensuring that the ESMS procedures and standards are fully respected and enforced according to the scope of application and procedures set out in chapter 3.1 and chapter 4 respectively. In this function, the Director PPG is supported by the Head of Oversight and the Legal Advisor, when relevant. The Director PPG also holds the management responsibility for implementing the grievance mechanism (see chapter 3.3.2).

Maintaining records, compliance management and continuous enhancement

All relevant ESMS forms and reports including completed ESMS Questionnaires, Screening Reports, ESIA Reports, ESMS Clearance Forms and ESMS Monitoring Reports are kept on the internal Project Portal to assure transparency and consistent maintenance of ESMS process records. The ESMS Coordinator draws reports from the Project Portal on a regular schedule to monitor ESMS application and progress with implementation of required Environmental and Social Management Plans (ESMP).³¹

To contribute to continuous enhancement of the system, involved stakeholders such as the ESMS Expert Team, staff from IUCN regional and global programmes and executing entities are encouraged to report non-compliance and to provide feed-back and suggestions for improvement. These inputs are documented in an ESMS improvement log together with actions to correct shortcomings. The log and the implementation of actions is managed by the ESMS Coordinator.

Contractual obligations and management of non-compliance

Contracts that govern collaboration with implementing partners include an explicit commitment to comply with the ESMS and a requirement to assure effective implementation of the measures specified in the Environmental and Social Management Plan (ESMP).³²

If project monitoring discovers non-compliance with the ESMS principles, standards or procedures or if the executing entity falls short on implementation of the agreed mitigation measures specified in the ESMP, a non-compliance report is issued by the ESMS Coordinator or a member of the ESMS Expert Team and corrective actions are determined. For IUCN, the best approach to correcting non-compliance involves a joint review with the executing entity followed by an agreement on the corrective action. However, a more formal compliance review process may be necessary in which the root cause of non-compliance is analysed and the response and a clear timeframe are determined. The review may suggest measures to prevent repetition and strengthen monitoring procedures.

³¹ See description of ESMP in the glossary or chapter 4.2.4

³² See description of ESMP in the glossary or chapter 4.2.4

Steps for minor corrective actions under the accountability system:

- Issue a non-compliance report.
- Provide advice on how to best comply with agreed plans and ESMS provisions, with clear deadlines.
- Request a progress report by executing entity.
- When compliance is achieved, report on closure of non-compliance incident.

Steps for major corrective actions under the accountability system:

- Follow any steps listed above for minor corrective actions.
- Issue a warning that major corrective actions will be necessary including:
 - a detailed analysis of the root causes of non-compliance, including fact-finding missions (with technical support from IUCN or external consultants);
 - production of an action plan with a timeframe, strengthened monitoring procedures and specific reporting requirements;
 - review of the action plan and its implementation by the ESMS Coordinator;
 - report from reviews and consultations held at the GEF Coordination Unit and Policy and Program Group levels;
 - conditions put upon the approval of transactions;
 - moratorium on the disbursement of funds.

Protection against retaliation

No retaliatory action can be taken (or condoned, as applicable) against any IUCN staff member or any staff member of an executing entity or other third party, because he or she made a disclosure on the reasonably expected environmental and/or social effects of the execution of a particular project. Staff members who reasonably believe that they have been victims of any such retaliation should submit a complaint through the Project Complaints Management System (see chapter 3.3.2).

3.3.2 ESMS grievance mechanism

The ESMS grievance mechanism addresses stakeholders' complaints related to issues where IUCN projects have failed to respect ESMS principles, standards, and procedures. The mechanism applies to all projects covered under the scope of the ESMS (see chapter 3.1), irrespective of their size or source of funding.³³

The aim of the grievance mechanism is to provide people or communities fearing or suffering adverse impacts from a project with the assurance that they will be heard and assisted in a timely manner. Each grievance case is reviewed to understand whether a potential breach of ESMS principles, standards or procedures has occurred. A process identifies the root causes of the subject of the grievance and ensures that issues of non-compliance with the ESMS are corrected; some cases may also require remedial actions to redress potential harm resulting from a failure to respect the ESMS provisions or preventive measures to avoid repetition of non-compliance.

³³ While the screening applies only to projects with budgets above CHF 500,000, the grievance mechanism applies to all IUCN projects.

The grievance mechanism reflects and operates under the good practice principles shown in Figure 7.

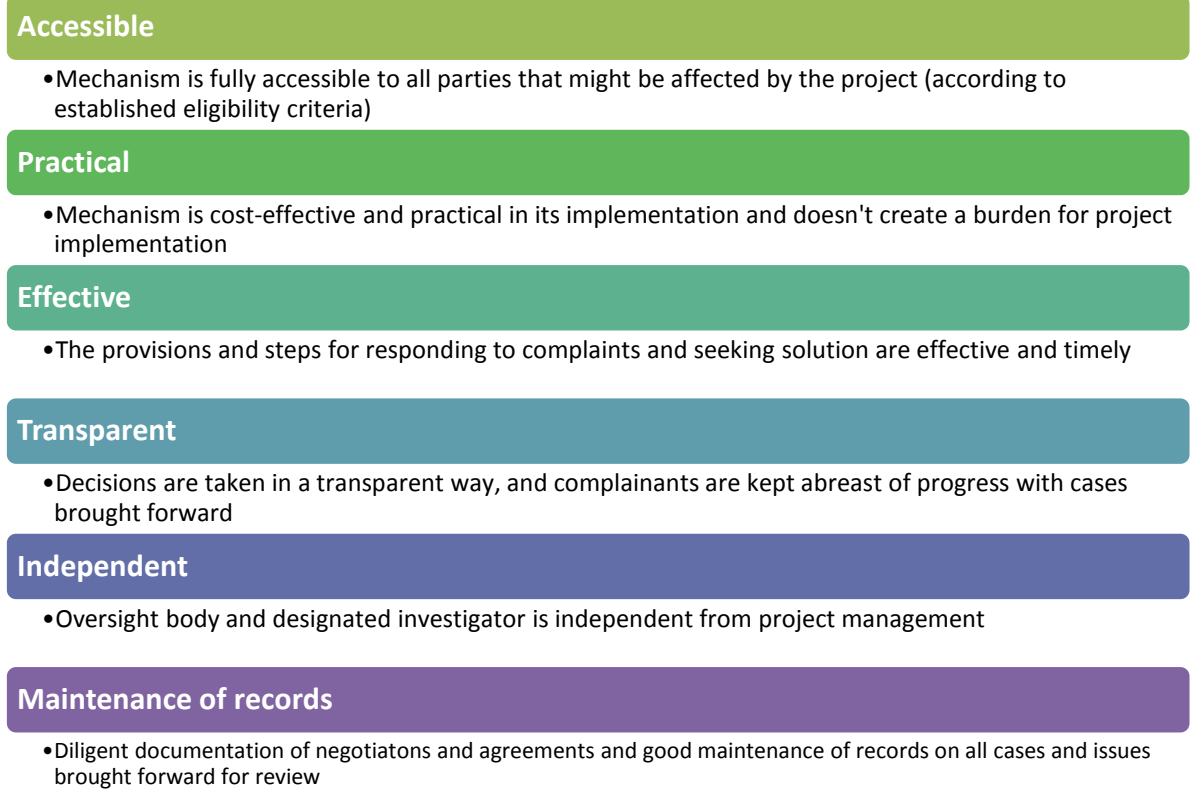


Figure 7: Good practice principles of the ESMS grievance mechanism

Eligibility

Any community, organisation, project stakeholder or affected group (consisting of two or more individuals) who believes that it may be negatively affected by the executing entity's failure to respect IUCN ESMS principles, standards, or procedures may submit a complaint. Representatives (a person or a local organisation) can submit a complaint on behalf of a community, project stakeholder or affected group. Anonymous complaints will not be considered, however, complainants' identities will be kept confidential upon their written request.

The following requests are not eligible:

- complaints with respect to actions or omissions that are the responsibility of parties other than IUCN and the relevant executing entity under its authority in the context of the project;
- complaints filed:
 - after the date of official closure of the project; or
 - 18 months after the date of the official closure of the project in cases where the complaint addresses an impact resulting from project activities that was not, and reasonably could not have been, known prior to the date of official closure;
- complaints that relate to the laws, policies, and regulations of the country, unless this directly relates to the entity's obligation to comply with IUCN's ESMS principles, standards and procedures;

- complaints that relate to IUCN’s non-project-related housekeeping matters, such as finance, human resources and administration;
- complaints submitted by the same claimant on matters they submitted to the grievance mechanism earlier, unless new evidence is provided;
- complaints that relate to fraud or corruption or to the procurement of goods and services, because they fall under different mechanisms. Reports of fraud or corruption in a project should be directed to the confidential Anti-Fraud Hotline.³⁴ Complaints about the procurement of goods and services, including consulting services, should be directed to the IUCN office responsible for the particular procurement.³⁵

Three-stage process for resolving a grievance

To be practical and cost-effective, resolution of complaints should be sought at the lowest possible level. The IUCN grievance mechanism is a three-stage process as shown in Figure 8.



Figure 8: Three-stage process of the IUCN grievance mechanism

The best approach to resolving grievances involves project management (executing agency) and the affected party reviewing the conflict and deciding together on a way forward that advances their mutual interests (stage 1). This reflects the fact that local and country authorities often have better information on and understanding of the causes of disputes arising from project implementation. ‘Deciding together’ approaches are usually the most accessible, natural, unthreatening and cost-effective ways for communities and project management to resolve differences.

If interaction with the executing entity has not been successful, stage 2 is to raise the concern with local IUCN staff by contacting the nearest IUCN office.

Only if these two stages have not been successful is it appropriate to bring the complaint forward to the IUCN Project Complaints Management System– stage 3. Complainants submitted should explain that good-faith efforts have been made to first address the problem directly with the executing entity and then with the nearest IUCN office. If the concern is highly sensitive or the complainant needs confidentiality or fears retaliation, the first two stages can be skipped and the complaint can be submitted directly to the Project Complaints Management System.

³⁴ Anti- Fraud Hotline +41 22 999 0350 (voice mail); Anti-Fraud email account antifraudpolicy@iucn.org; fax +41 22 999 0029, mail letter to the Head Oversight Unit, IUCN World Headquarters, Rue Mauverney 28, 1196 Gland, Switzerland.

³⁵ If the response of the office is not deemed to be satisfactory, the complainant may escalate to IUCN Headquarters at procurement@iucn.org.

A complaint can be submitted to the Project Complaints Management System in several ways:

- by post to IUCN Head of Oversight, Rue Mauverney 28, CH-1196 Gland, Switzerland;
- by email to projectcomplaints@iucn.org;
- by fax to +41 22 999 00 02 (indicating IUCN Head of Oversight as addressee); or
- by telephone to + 41 22 999 02 59.

A written complaint sent by post, fax or email should include the following information (in any language):

- complainant's name, address, telephone number, fax number and email address and valid proof of representation if the complaint is filled by the representative of a legal person/entity;
- description of the project or programme concerned;
- the harm that is, or may result from IUCN's and/or the project executing entity's failures to respect IUCN's ESMS principles, standards, or procedures;
- the principle, standard, or procedure (if known) allegedly breached;
- actions taken to solve the issue, including previous contacts with the executing entity and the nearest IUCN office (stages 1 and 2 of Figure 8) and reasonably detailed explanations why these stages have not provided a satisfactory solution; and
- list of supporting documents and attachments, as appropriate.

A template for the complaint is available on the IUCN website.³⁶

Review process of the Project Complaints Management System

All complaints received through the Project Complaints Management System (PCMS) are registered and trigger a formal review and response process following the action steps in Table 3 and described below.

Upon receipt of a complaint, the IUCN Head of Oversight will, within five business days, indicate to the complainant whether the request is eligible. To reach this decision, the Head of Oversight will involve the Director PPG, the ESMS Coordinator, and, as appropriate, member(s) of the ESMS Expert Team in assessing the complaint.

If the complaint is eligible, the Director PPG will appoint an internal investigator, independent of the project, to manage the case. The investigator will notify the executing entity and the nearest IUCN office³⁷ and request, within 20 business days, a detailed response including a confirmation that the complaint is valid under the eligibility provision and an action plan and timetable for addressing the complaint. The local IUCN office facilitates the process.

³⁶ Available at www.iucn.org/esms.

³⁷ If the executing entity is the local IUCN office (and not an external entity) the regional IUCN office assumes the role of the facilitator.

Table 3: Summary of the Project Complaints Management System review process

	Action	Responsibility	Timeframe
1	Notify complainant whether complaint is eligible based on eligibility criteria in section a. above.	Head of Oversight, advisors	Within 5 working days of receipt of complaint
2	Appoint investigator for managing the case (internal to IUCN but independent from the executing entity) ³⁸	Director PPG	
3	Notify the executing entity and IUCN office about the review process and request response	Investigator	
4	Respond to IUCN regarding the complaint: - confirm eligible complaint - submit action plan and timetable	Executing entity	Within 20 working days
5	Review and approve action plan	Investigator	
6	Develop corrective actions for issues of non-compliance including - timetable - corrective actions and, if relevant, remedial or preventive measures, - evidence of consent complainant - provisions for progress reports	Executing entity	As per agreed timetable
7	Review and approve corrective actions	Investigator	
8	Produce grievance summary report	Executing entity	
9	Implement corrective actions and report on the progress (monitoring)	Executing entity	As per agreed timetable

After the investigator has reviewed and agreed to the action plan and timetable, the executing entity implements the action plan and works with the complainant³⁹ and relevant stakeholders to develop corrective actions for the issue. The executing entity will provide a detailed description of the agreed corrective actions, a timetable for implementation, evidence of consent of complainant and provisions for progress reports. In addition to correcting the non-compliance, measures might include remedial actions to redress direct and material harm caused by the non-compliance or measures to prevent the repetition of the non-compliance issue.

Once the investigator has approved the corrective actions they become part of the project's implementation plan and are subject to project monitoring.

The executing entity, in collaboration with the local IUCN office, produces a grievance summary report, including a description of the complaint, the process followed, the consultations carried out and

³⁸ For high-risk issues, the Head of Oversight may appoint an external investigator.

³⁹ If confidentiality has been requested, IUCN's Head of Oversight will not disclose the name of the complainant. At the end of the process, recommendations will be communicated confidentially to the complainant by the Head of Oversight.

the corrective actions. The report is sent to the investigator, the Director PPG, the ESMS Coordinator, the complainant and other relevant stakeholders.

This process is applied in cases where corrective actions can be identified relatively easily.

Formal compliance review. In cases where the situation is complex or contentious or the relationship between the executing agency and the complainant is conflictual, the Director PPG will request the investigator to carry out a formal compliance review to allow for an in-depth investigation of the issues of non-compliance and their root causes and develop a plan for corrective actions. This review involves fact finding through interviews with the complainant, the executing agency, project-affected people and relevant stakeholders, comprehensive information gathering to allow factual determination of issues and, if needed, in-country inspections.

Management of non-compliance

If the executing entity fails to implement corrective actions under the Project Complaints Management System or continues to be in non-compliance, the following steps will be taken:

- Report summarising the reviews and consultations at the GEF Coordination Unit and PPG levels (compliance officer) ;
- Warning to the executing entity that major corrective actions will be necessary including:
 - detailed analysis of the root causes for non-implementation of recommendations, including fact-finding missions (with technical support from IUCN or external consultants) and meetings with stakeholders;
 - production of a new action plan with a timeframe strengthened monitoring procedures and specific reporting;
 - action plan review and monitoring of implementation;
 - conditions put on the approval of financial transactions;
 - moratorium on the disbursement of funds;
 - disclosure of information on the dedicated page of the IUCN public website.

Proactive approach to grievances

The best approach is to proactively prevent grievances from building up. Stakeholder engagement during the design phase is critical as well as regular stakeholder contact and consultation during the implementation. Maintaining a constructive relationship with stakeholders helps the executing entity/project managers identify and anticipate potential issues early. If a grievance arises the executing entity should involve the affected parties in 'deciding together' how to resolve the issue.

If the issue cannot be solved between the two parties, an intermediate step before proceeding to stages 2 or 3 (Figure 8) might be to ask a local, respected individual to assume the role of an ombudsperson. Involving a person who is respected and trusted by the affected parties can be an effective and unthreatening way for communities and project management to resolve differences. It is often good practice, as a preventive measure, to identify, together with involved stakeholders, an ombudsperson at the start of the project. This and any other measures aimed at tailoring the

grievance mechanism to the socio-cultural specificities of the project context might be described in the project's ESMP.

Maintaining records and monitoring actions

Under the Director Policy and Programme, IUCN will ensure that:

- complaints are filed in a database with detailed records of the agreed corrective actions (with due regard for confidentiality of information);
- reports from the executing agency(ies) on progress made to implement recommendations are processed and all necessary monitoring tasks are coordinated, in cooperation with the Head of Oversight Unit; and
- reports demonstrating compliance with IUCN's ESMS procedures are posted on the website for consideration by partners and the general public, with due regard to confidentiality.

Informing stakeholders about the grievance system

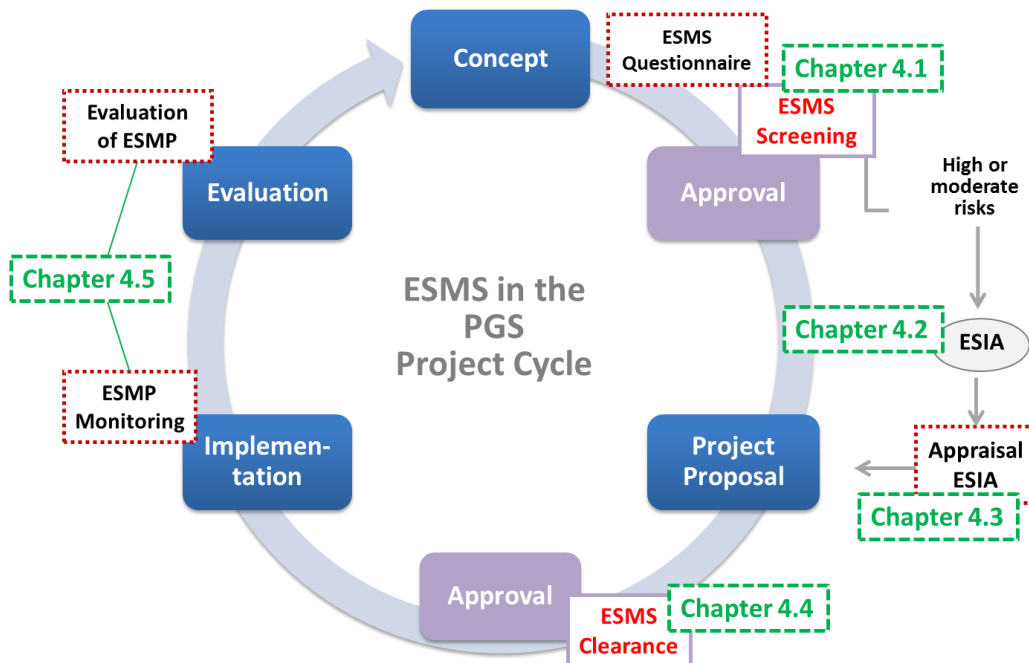
For the grievance mechanism to be effective and accessible, the executing entity must inform all relevant project stakeholders of the existence of IUCN's grievance mechanism and about the relevant provisions of the ESMS. This should ideally be done during the project design phase but no later than within the first quarter of project implementation. Stakeholders need to know the issues eligible for the grievance mechanism, the three-stage process, contact information and the mechanism for complaint submission. The information should be delivered in a culturally appropriate form assuring that all relevant groups are reached, including women, indigenous peoples and vulnerable groups. It can be communicated verbally (in consultation meetings or through media/radio) or in writing. It is good practice to delineate the communication methods used in the project's ESMP.

For GEF-funded projects, the executing entity in the field on behalf of IUCN will ensure that signage is erected on each project site, displaying clear and legible information allowing anyone to contact IUCN in case of concerns or complaints.⁴⁰ The executing entity will also ensure that students and personnel in at least one school near the project site are given leaflets with information on the project's nature and objectives, as well as clear guidance on how to contact IUCN in case of concerns or complaints over any negative impacts of the project.

4. ESMS Review Procedures along the IUCN Project Cycle

This chapter describes the Environmental and Social Management System (ESMS) review procedures along the IUCN project cycle. It is structured in six sections, the first five of which explain the five review steps of screening the project to determine its risk level (chapter 4.1), conducting the type of Environmental and Social Impact Assessment (ESIA) required (chapter 4.2), appraising the ESIA (chapter 4.3), clearing the project on ESMS issues (chapter 4.4), and monitoring the Environmental and Social Management Plan (ESMP) and evaluating its effectiveness (chapter 4.5) (Figure 9). The last section summarises the ESMS review steps, clarifies responsibilities and provides an overview of the disclosure and consultation requirements along the entire project cycle.

⁴⁰ See the Guidance Note on Signage at Project Sites, available at www.iucn.org/esms



Note: ESMS = Environmental and Social Management System, ESIA = Environmental and Social Impact Assessment, ESMP = Environmental and Social Management Plan.

Figure 9: ESMS review steps along the IUCN project cycle

4.1 ESMS screening

Screening a project for possible environmental and social impacts is done at the end of the concept stage before the concept is approved.

4.1.1 Purpose of screening

The purpose of the screening is to understand whether a project might pose risks that could give rise to any negative social or environmental impacts, to establish the project’s risk level and - if risks have been identified - to determine the appropriate type and level of assessment needed to ascertain the extent of the risks.

4.1.2 Methodology

Screening is a desk assessment undertaken by the ESMS Coordinator assisted by one or more members of the IUCN ESMS Expert Team.⁴¹ The screening is based on (1) the project concept and its description of the physical, biological, socio-cultural, economic and governance context of the project;

⁴¹ The ESMS Coordinator or the member of the ESMS Expert Team carrying out the screening are in the following referred to as ESMS Reviewer. The ESMS expert selected for the project is preferably based in an IUCN country office or at least in the region.

(2) the ESMS Questionnaire⁴² completed by the project proponent; and, if available, a stakeholder analysis and a situation analysis⁴³ also prepared by the project proponent.

To assess the significance of impacts, the following criteria are considered:

- sensitivity of the receptor;⁴⁴
- magnitude of anticipated impact(s) taking into account expected severity, duration, scale and reversibility;
- probability of the impact(s) occurring;
- risk of non-compliance with applicable environmental or social laws; and
- potential for reputational risks for IUCN.

It is crucial to understand the limitation of the screening process as it happens at an early stage of project design and the information available may not allow a judgment on all criteria. Screening is a quick scan and not a comprehensive risk assessment. In some cases additional consultations or information about the local context might be sought through IUCN regional programmes, other members of the ESMS Expert Team or local experts. However, this is the exception as it is the responsibility of the project proponent to provide – through the project concept and the ESMS Questionnaire – sufficient information to enable a sound screening decision.

If there are doubts about the significance of the identified potential impacts and/or information is not sufficient, the ESMS Coordinator will conservatively assign a higher risk level and demand an Environmental and Social Impact Assessment (ESIA). However, in consideration of the costs of such assessment, the screening decision should not be formed on hypothetical impacts but rather on impacts that have a certain degree of probability, based on available information.

As stated in chapter 3.1, formal ESMS screening by the ESMS Coordinator is mandatory only for projects with a budget above CHF 500,000. Projects below this threshold are subject to self-assessment by the project proponent guided by the ESMS Questionnaire. If risks are identified the project proponent must bring the project to the attention of the ESMS Coordinator who will proceed with a full ESMS screening.

4.1.3 ESMS Questionnaire

The ESMS Questionnaire is designed to tease out issues that could give rise to negative impacts to substantiate the screening decision. It is structured in four sections. The first section explores the stakeholder engagement process carried out to understand to what extent the project proponent has provided opportunities to involve stakeholders, to identify potentially affected groups and to discuss concerns about potential negative impacts. The second section analyses impact issues related to the ESMS standards, and the third section focusses on environmental or social impacts beyond the issues covered by the standards (e.g. impacts on vulnerable groups, social cohesion, community health &

⁴² See ESMS Questionnaire and Screening Report – Template, available at www.iucn.org/esms.

⁴³ See IUCN Project Guidelines and Standards (PGS) for guidance on stakeholder analysis and situation analysis, available at <http://www.iucn.org/pgs>.

⁴⁴ A receptor is an aspect of the existing biophysical and social environment (i.e. people, social groups, species populations or ecosystems etc.) affected by or interacting with the project activities.

safety or on public infrastructure critical for basic needs).⁴⁵ The last section deals with risks triggered by climate change. The analytical focus of the four sections is shown in Figure 10.

The questions are formulated to allow completion by project proponents who are not familiar with environmental and social standards and risk assessment.

A. Process of stakeholder engagement during project conceptualization

- Has a project stakeholder analysis been carried out to understand interest, influence and risks of stakeholders being affected by the project)?
- Degree and inclusiveness of consultations during project conceptualization

B. Potential impacts related to ESMS standards

- Are there any conditions that trigger the application of Standards? What are concrete risks related to these conditions?
- Has the project concept already considered measures for mitigating adverse impacts?
- Are there any data gaps that require more in-depth assessment?

C. Other social or environmental impacts

- Social risks: such as human rights issues, migration dynamics, affecting social cohesion, health & safety, human wildlife conflict;
- Environmental risks: such as hazardous waste, pollution, GHG emissions;
- Has the project concept already considered measures for mitigating adverse impacts?

D. Climate change risks

- Does the project increase vulnerability of communities & ecosystems to climate change impacts?
- Is there a risk that climate change might challenge the technical feasibility of the project?

Figure 10: Sections of the ESMS Questionnaire

Focus on gender. In line with the ESMS Principle on Gender Equality and Women Empowerment, the screening assesses whether appropriate consultations with women have been carried out, gender-related differences and inequalities have been sufficiently captured and the Criteria on Gender Mainstreaming (see chapter 2.1.3) were followed. As part of the latter intended results and planned actions are reviewed to assure that inequalities are not perpetuated and that opportunities are sought for securing and, where appropriate, enhancing economic, social and environmental benefits for women. To support this assessment, the ESMS Questionnaire provides gender-related questions in each section (see Figure 11).

If the screening process determines that women could be negatively affected by the project or that key information is lacking, a more detailed gender analysis must be carried out as part of the ESIA process guided by IUCN's *Framework for Conducting Gender Responsive Analysis*.⁴⁶

⁴⁵ If there is a risk that the project might negatively impact dams or other hydraulic infrastructure, the IUCN *Guidelines to Avoid Impacts on Dams and other Water Infrastructure*⁴⁵ must be followed; available at <http://www.iucn.org/esms>.

⁴⁶ IUCN, 2013, *Framework for Conducting Gender Responsive Analysis*, available at https://cmsdata.iucn.org/downloads/framework_gender_analysis.pdf

In addition to identifying risks, the screening also looks at opportunities for stimulating positive impacts and providing benefits. As such the project proponent might be prompted to add measures for securing economic, social and environmental benefits to women or for strengthening women's rights. The ESMS Reviewer may further recommend strengthening consultation with women when designing and implementing gender equality measures and including specific provisions to monitor gender-related impacts.

A. Process of stakeholder engagement during project conceptualization

- Does the stakeholder analysis disaggregate by sex, where relevant and feasible?
- Have consultations involved women groups? Were they designed in a cultural appropriate way to allow for meaningful engagement of women?

B. ESMS Standards

- Have issues related to the Standards on Involuntary Resettlement & Access Restrictions, Indigenous Peoples and Cultural Heritage been analysed distinguishing by gender?
- Are women affected more strongly than men due to prevailing inequalities in terms of their social role, access to and use of services or resources and their participation in decision making?

C. Other social or environmental impacts

- Is there a risk that project activities might aggravate/perpetuate inequalities?
- Are opportunities sought for securing and, where appropriate, enhancing economic, social and environmental benefits to women?
- Does the project provide, when appropriate and consistent with national policy, for measures that strengthen women's rights and access to land and resources?

D. Climate Change Risks

- Are women specifically vulnerable to impacts from climate change?
- Is there a risk that project activities might aggravate their vulnerability?

Figure 11: Gender-related questions in the ESMS Questionnaire

4.1.4 ESMS screening results

Screening starts with a review of the ESMS Questionnaire completed by the project proponent. Each section of the questionnaire requires a conclusive appraisal, summarising the key issues and potential impacts and risks. Where relevant, the ESMS reviewer might comment on individual questions and the answers provided by the project proponent. The findings of all four sections are summarised on the cover page of the ESMS Questionnaire (referred to as Screening Report) together with a short description of the rationale for the risk level classification, what types of impact assessments are required (if risks were identified), an indication whether ESMS standards are triggered and whether action plans are applicable.

Projects are assigned one of three risk levels:

- **High-risk project.** Projects with the potential to cause significant adverse environmental and/or social impacts. These impacts may influence an area broader than the project site, may be related to sensitive receptors – human populations or environmentally important areas – may severely affect the health and quality of life of the receptor, may be of long duration, and may be irreversible

and very likely to occur. Assessing significance of issues should also take the potential of reputational risks for IUCN into consideration.

- **Moderate-risk project.** Projects with potential environmental and social impacts that are less adverse and fewer in number than those of high-risk projects. Typically, these impacts are site-specific, their extent can be determined with a reasonable degree of certainty, few if any of them are irreversible, and mitigation measures could be readily designed and implemented to successfully address these concerns.
- **Low-risk projects.** Projects that are likely to have minimal or no environmental or social impacts, and/or when mitigation measures have already been devised as part of the project's activities that appropriately address the risks. No further assessment is required for low-risk projects. The Screening Report might point to good practice guidance in the ESMS standards for proactively addressing minor risks.

The Screening Report is reviewed by at least one other member of the ESMS Expert Team, and the final version represents a consensual decision. For high-risk projects, additional ESMS experts are involved in the screening decision. The Screening Report for moderate and high risk projects is posted on the IUCN website.⁴⁷

For projects with budgets below CHF 500,000, if no risks were identified in the ESMS Questionnaire, the Screening Report is completed by the project proponent classifying the project as low-risk.

4.2 Environmental and Social Impact Assessment

If the screening procedure has identified risks of negative environmental and/or social impacts and a project has been classified as high or moderate risk, an Environmental and Social Impact Assessment (ESIA) is prepared.

4.2.1 Purpose of an ESIA

The purpose of an ESIA is to:

- predict and assess type and scale of potential impacts to communities and peoples' rights, livelihoods and well-being and /or the physical, natural, socio-economic or cultural environment;
- identify, analyse and compare feasible alternatives (including no project); and
- develop suitable mitigation measures documented as an Environmental and Social Management Plan (ESMP).

The aim is to arrive at a sound project strategy in which adverse impacts are avoided or minimised to acceptable levels or, if this is not feasible, cost-effective or sufficient, are compensated for in an adequate, fair and agreed way.

⁴⁷ Disclosure of project information on the IUCN website will be linked to the development of the internal Project Portal. GEF project documents are disclosed on the IUCN – GEF Programme webpage.

4.2.2 Differences between high-risk and moderate-risk projects

As described in chapter 2.3, the ESMS applies a risk management approach in which the scope and quality of the ESIA process is proportionate to the complexity of the project and the nature and scale risks. Therefore, the level of effort and scrutiny of analysis is higher for high-risk projects, which undergo a full ESIA process. Moderate-risk projects are assessed by a partial impact assessment – a more targeted impact study – because identified impacts are more limited in scope, fewer in numbers and less complex. The two types of ESIA⁴⁸ are described below.

- **Full ESIA:** a comprehensive process for analysing environmental and social impacts with a dedicated methodology for stakeholder consultation; it encompasses an analysis of the policy, legal, and administrative framework; stakeholder identification and analysis; collection of environmental and social baseline data; impact prediction and assessment; analysis of alternatives; and development of an environmental and social management plan.
- **Partial ESIA:** less comprehensive than a full ESIA in terms of depth of analysis and does not provide as much background and baseline data; focusses on the few delineated environmental or social impacts issues identified by the ESMS screening, which can be purely environmental issues requiring an environmental specialist study (e.g., on water flows, species translocation risks), purely social issues assessed through a specialist study on social impacts or a mix of both.

The full ESIA is preceded by a scoping study which involves relevant stakeholders to confirm the risks and to set priorities for the ESIA. This study indicates what types of assessments and expertise are required and establishes the terms of reference for the ESIA. The key elements, methodology and outputs of a scoping study are described in the ESMS Guidance Note on Scoping.⁴⁹

To guarantee an objective view, an ESIA for a high-risk project must be conducted by an external party such as a consultant or consulting firm independent from the executing entity. The use of IUCN Commission members is an option if they are not involved in the project design. A partial ESIA is also preferably conducted by an external party but this requirement is less stringent as risks are less adverse in moderate-risk projects; the choice will depend on the context and topics (e.g., sensitivities of impact issues) to be assessed.⁵⁰

Another difference is that high-risk projects require a more rigorous disclosure practice and a higher level of stakeholder consultation. Refer to chapter 4.2.7 for the disclosure and consultation requirements. The main differences between the assessments of high- and moderate-risk projects are summarised in Figure 12.

⁴⁸ The term ESIA is used in this Manual to refer to all possible types of impact assessments (full or partial environmental and social impact assessment, social impact assessment etc.) unless otherwise stated.

⁴⁹ See ESMS Guidance Note on Scoping, available at www.iucn.org/esms.

⁵⁰ For GEF projects an ESIA will always be undertaken by a consultant or consulting firm contracted by the IUCN – GEF Coordination Unit, for both categories (high and moderate risks).

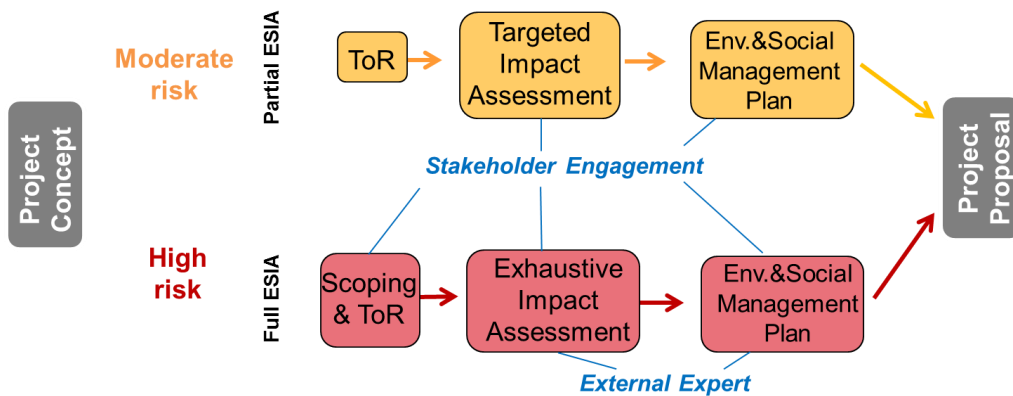


Figure 12: Differences between ESIA requirements for high- and moderate-risk projects

4.2.3 Key elements and methodology of an ESIA

The eight key elements of an ESIA are listed and explained in Figure 13. All the elements are thoroughly covered by a full ESIA undertaken for a high-risk project. The elements with an asterisk in Figure 13 are not required for a partial ESIA carried out for moderate-risk projects. The elements and their requirements are described in more detail in the ESMS Guidance Note on Environmental and Social Impact Assessment (ESIA).⁵¹

Project description	•To communicate the project and its area of influence in a succinct and concise way: geographic, ecological, social, and temporal context
Analysis of policy, legal, and administrative framework *	•To clarify the framework within which the ESIA is carried out and to be adhered to by the project to assure compliance
Stakeholder identification and analysis	•To clarify who should be involved in the ESIA process, in particular groups that might be affected
Environmental and social baseline data *	•To understand what the starting point is including any changes anticipated without the project
Environmental and social impact assessment	•To analyse the social and environmental risks and make rigorous predictions for all significant impacts
Analyses of alternatives *	•To identify other options to achieve project objectives and compare impacts, including the alternative of not implementing the project
Environmental and social management plan	•A set of appropriate measures for avoiding and minimizing impacts and provisions to assure their effectiveness
Results of stakeholder consultations	•To understand stakeholder concerns and what is needed to protect their rights and livelihood

Note: * = elements not covered in a partial ESIA.

Figure 13: Key elements of an ESIA and their purposes

⁵¹ ESMS Guidance Note on ESIA, available at www.iucn.org/esms.

An analysis of alternatives, generally recommended only for a full ESIA, compares a set of proposed realistic alternative ways and means of reaching the project's objectives that may originally have been overlooked by the project proponent. The analysis contrasts different options in terms of economic/financial, environmental and social perspectives and recommends a preferred alternative.

The ESIA takes into account impacts associated with the ESMS standards, other environmental or social impacts identified during screening/scoping as well as the risks of projects not taking climate change adequately into account. Predictions of significant impacts should be as rigorous as possible using qualitative and, to the extent possible, quantitative methods. Environmental and social variables should not be described in isolation but rather their interactions should be demonstrated; this is to better understand the full risks and to be able to compare alternatives and potential trade-offs between conservation and social benefits.

In IUCN projects, risks related to social issues are more frequent than risks related to environmental issues. Hence a typical partial ESIA is a Social Impact Assessment (SIA). A Guidance Note on Social Impact Assessment describes key elements of such a study and provides methodological guidance.⁵²

The ESMS standards provide additional guidance for assessing risks in their subject areas which should be followed if a standard has been triggered.

4.2.4 The Environmental and Social Management Plan

A main output of the ESIA process is a strategy for managing risks and mitigating impacts. Identifying mitigation measures is done in consultation with affected groups (see chapter 4.2.7) and is guided by the 'mitigation hierarchy'. First all reasonable attempts must be made to avoid negative social or environmental impacts, (e.g., by choosing different siting options or adjusting the project's technical design). If avoidance is not possible without challenging the conservation objective of the project, measures should be taken to minimise the impacts to acceptable levels; if this is not possible, remaining residual impacts need to be addressed with adequate and fair compensation measures.

The risk management strategy is documented as an Environmental and Social Management Plan (ESMP). The ESMP describes the set of mitigation measures developed during the ESIA together with an implementation schedule, required resources and responsibilities. It further includes provisions for training and capacity building and institutional arrangements for implementing the ESMP and requirements for monitoring. The ESMP might also specify adjustments of the grievance mechanism to address specific needs. Refer to the ESMP Guidance Note⁵³ for detailed instructions and to chapter 4.5 for explanations how the ESMP is monitored.

The ESMP becomes an integral part of the project proposal. If IUCN is the entity legally responsible for the project while another agency executes the project (e.g., in the case of GEF projects), the ESMP becomes an integral part of the contractual agreement between IUCN and the executing agency. Projects with only minimal impacts that require only sporadic mitigation measures can integrate mitigation measures into their project's implementation plan.

⁵² See ESMS Guidance Note on SIA, available at www.iucn.org/esms.

⁵³ See ESMS Guidance Note on Developing and Monitoring an ESMP, available at www.iucn.org/esms.

Additional guidance is provided for projects that trigger the application of ESMS standards. The following standards require the development of specific procedures or action plans that complement or substitute for an ESMP:

- Standard on Involuntary Resettlement and Access Restrictions:
 - Resettlement Action Plan
 - Resettlement Policy Framework
 - Action Plan to Mitigate Impacts from Access Restrictions
 - Access Restriction Mitigation Process Framework.
- Standard on Indigenous Peoples: Indigenous Peoples Plan;
- Standard on Biodiversity Conservation and Sustainable Use of Natural Resources: Pest Management Plan (for projects where the use of pesticides cannot be avoided);
- Standard on Cultural Heritage: Procedures for Accidental Discoveries of Cultural Resources (Chance Find).

4.2.5 Specific requirements when activities or sub-projects are not known

If the risks and impacts cannot be determined at the time of project approval because the project consists of a series of sub-projects and/or the activities are not fully known, the impact assessment will be postponed to the implementation phase when the respective details will have been defined. However, postponing the assessment requires that a process framework is developed and agreed with relevant stakeholders prior to the final approval of the project and that this is reviewed by the ESMS Coordinator as part of the ESMS clearance step. The process framework should describe the process to be followed including principles, rules and timelines for assessing environmental and social risks and for developing mitigation measures. The process framework should also specify the stakeholder groups to be consulted (to the extent known) and make provisions for estimating and budgeting the costs of mitigation measures. A Guidance Note will provide further instructions.⁵⁴

4.2.6 Focus on gender

If the screening process has determined that women could be negatively affected by the project or that key information is lacking, a more detailed gender analysis must be carried out as part of the ESIA process. The scope and depth of the gender analysis must be proportional to the complexity of the project and address the risks identified by the screening with appropriate mitigating measures. The IUCN *Framework for Conducting Gender Responsive Analysis* can provide guidance.⁵⁵

Any full ESIA or any partial ESIA which focuses on social impacts (e.g. Social Impact Assessment) should assure that consultation provides for effective and culturally sensitive engagement of women, irrespective of whether the screening has identified particular gender-related risks. Where relevant, the ESIA should involve gender experts with knowledge of local needs. The ESIA should generally cover the following:

⁵⁴ Currently in preparation, will be available at www.iucn.org/esms.

⁵⁵ IUCN, 2013, *Framework for Conducting Gender Responsive Analysis*, available at https://cmsdata.iucn.org/downloads/framework_gender_analysis.pdf.

- taking stock of the current situation and possible tensions, particularly regarding the social role of women, their access to and control and use of natural resources and their participation in decision making;
- enquiring about implications of any planned project action for women and men and whether there is a risk of perpetuating or aggravating inequalities between women and men;
- seeking opportunities to incorporate specific plans and measures to secure and, when appropriate, enhance the economic, social and environmental benefits to women; and
- providing, when appropriate and consistent with national policy, for activities and measures that strengthen women's rights.

The ESMS Guidance Note on Social Impact Assessment (SIA) provides further guidance on gender-related topics to be included.⁵⁶

In all cases where it has been determined that women may be affected by project implementation, specific provisions must be included in the ESMP to monitor impacts and to secure services of qualified experts to guide this monitoring work, interpret data and information and advice on mitigating measures.

4.2.7 Public disclosure and consultation in the ESIA process

Following the ESMS Principle on Stakeholder Engagement, the ESIA process must assure that stakeholders are provided with relevant information and are engaged through meaningful consultations. The decision about who should be involved and at what depth should be commensurate to the level of anticipated impacts and risks and be guided by the methodological recommendations provided in chapter 2.1.4 and in particular by the general logic of engagement illustrated in Figure 3. It is advisable to define and plan engagement strategies for individual stakeholder groups based on the project's stakeholder analysis.

Disclosure. It is good practice to disclose a non-technical summary of the *draft* ESIA report including the ESMP (or other applicable ESMS action plans) through local channels accessible by relevant stakeholders prior to a final stakeholder meeting. For high-risk projects, a final stakeholder meeting and timely disclosure of the draft ESIA report prior to this meeting are required. For high- and moderate-risk projects, the *final* ESIA report is made available prior to project approval on the IUCN website⁵⁷ (by the ESMS Coordinator) and through appropriate local channels (by the project proponent).

Consultation. Consultations are most intensive when there is a risk that groups might be affected by project activities. The purpose of consultation is threefold: first to capture potential risks, second to verify and assess the significance of any impacts and third to seek affected people's input when developing mitigation measures. Consultations should be initiated as early as possible; for high-risk projects consultations start during the scoping for the ESIA. The consultation process is best scheduled in iterative steps seeking initial inputs, then feed-back on first ESIA results and suggestions

⁵⁶ See ESMS Guidance Note on Social Impact Assessment (SIA), available at www.iucn.org/esms

⁵⁷ Disclosure of project information on the IUCN website will be linked to the development of the internal Project Portal.

for mitigation actions, and then concluding with a final stakeholder meeting to gather feed-back on the draft ESIA report, the ESMP and other action plans as defined by the ESMS standards.

An important requirement of the ESIA process is to assure appropriate documentation of public consultations. The final ESIA report must contain a description of the public consultation process, including a summary of the concerns raised by various stakeholders and how these concerns have been addressed in the ESIA and ESMP. The summary must make specific reference to the engagement process with women.

If standards require specific procedures or action plans, additional requirements for disclosure and consultation may apply as described in the standards and their accompanying documents.

The requirements for disclosure and consultation in the ESIA process as well as those requirements relevant to the other ESMS steps in the project cycle are synthesised in Tables 5 and 6 in chapter 4.6.

4.3 Appraisal of the ESIA report

The final ESIA report, including the ESMP must be appraised before the project proponent incorporates findings and finalises the project proposal. The aim of this review is to evaluate the quality of the ESIA and to determine whether the information provided in the ESIA report is sufficient for decision-making. Thus, the review should confirm that the ESIA report, the proposed ESMP and the process:

- comply with the terms of reference, having thoroughly assessed environmental and social impacts and proposed suitable mitigation measures;
- present information of sufficient relevance and quality allowing adequate understanding of potential impacts of the project and its possible alternatives; and
- take account of public comments and concerns of potentially affected groups and document this process.

For high-risk projects, GEF projects and projects above a threshold value of CHF 2 million, the appraisal is done by the ESMS Coordinator or a member of the ESMS Expert Team. For moderate-risk projects and smaller projects the ESIA is appraised by the project proponent.

The appraisal culminates in a final decision on whether the study is adequate, not sufficient, or inadequate, as defined below.

- **Adequate:** The ESIA clearly describes and predicts the significant impacts and suggests suitable mitigation measures; the ESIA is approved and no further analysis or data collection is needed; some clarification or additional information may be required.
- **Not sufficient:** Additional information, data, analyses or discussion should be collected and included in the final report.
- **Inadequate:** Serious deficiencies require immediate remedy as a supplement to the ESIA report or a new ESIA is to be undertaken.

A checklist is provided to support the appraisal decision.⁵⁸

4.4 ESMS Clearance

Once the project proposal has been finalised, the last step is ESMS clearance. The purpose of the ESMS clearance is to appraise whether the ESIA findings have been properly incorporated in the project proposal. More concretely, the appraisal will scrutinise whether:

- the ESMS principles and standards have been appropriately adhered to;
- consultation results were appropriately incorporated in the project proposal;
- for all significant impacts, mitigation measures have been identified and presented in an ESMP or an action plan (e.g., Indigenous Peoples Action Plan, Resettlement Action Plan and so on) – which are feasible, adequate and effective in avoiding or minimising identified impacts;
- the ESMP includes an adequate monitoring plan;
- costs for the mitigation measures are realistic and fully included in the budget;
- alternatives have been considered (for high-risk projects).

The appraisal is documented on the ESMS Clearance Form, which is a sign-off form that formally concludes the ESMS procedures related to the design phase, by one of three possible decisions:

- **Cleared:** The conclusions are positive and the project proposal meets all requirements with regards to avoiding or mitigating environmental and social risks: the proposal is accepted.
- **Conditionally cleared:** The conclusions call for improving one or more ESMS activities and/or for important re-formulation of some mitigation measures. This will lead to the proposal being conditionally cleared; the reviewer will provide guidance on the way forward.
- **Clearance rejected:** Essential ESMS provisions have not been complied with; critical mitigation measures have not been incorporated or don't seem feasible or sufficient for avoiding or mitigating impacts; or significant data gaps still prevail and additional field assessments are required.

The ESMS clearance is supported by a checklist⁵⁹ which is completed by the ESMS Coordinator in consultation with an ESMS Expert Team member who was previously involved. The reviewer may work in close cooperation with other IUCN units and/ or other lead experts on relevant ESMS standards to develop the final verdict.

Once a project proposal has been approved and financing is confirmed, it is uploaded on the IUCN website to make this critical information available to the public in accordance with the Principle on Stakeholder Engagement.⁶⁰

⁵⁸ ESMS ESIA Appraisal – Template & Checklist, available at www.iucn.org/esms

⁵⁹ ESMS Project Clearance - Template & Checklist, available at www.iucn.org/esms

⁶⁰ Disclosure of project information on the IUCN website will be linked to the development of the internal Project Portal

4.5 Monitoring and evaluating the Environmental and Social Management Plan

The provisions of the ESMS don't stop at the end of the design process as is critical to ensure compliance with the Environmental and Social Management Plan (ESMP) as a project is implemented.

4.5.1 Purpose of monitoring

The purpose of monitoring is to verify that the mitigation measures specified in the ESMP are being implemented as planned and to provide evidence that these mitigation measures are successful in avoiding or mitigating negative impacts. Monitoring also includes regular screening of the project context to identify potential new environmental or social risks that might have come up and which would require risk management.

4.5.2 Methodology

ESMP monitoring is an integral part of the overall IUCN project monitoring, reporting and supervision cycle described in module 4 of the IUCN Project Guidelines and Standards (PGS).⁶¹ To facilitate and document ESMP monitoring, two tables are provided as templates.⁶² The first table, "ESMP Progress Monitoring", tracks progress in the implementation of mitigation measures using a three-point ranking scale (on track, slightly delayed, delayed/ constraints encountered). This table is generally prepared annually, together with project monitoring reports as described in the PGS. If standard-specific ESMS action plans were developed (e.g., Indigenous Peoples Plan, Resettlement Action Plan), their monitoring should be included in the same table.

The second table, "Monitoring the Effectiveness of Mitigation," aims at monitoring the effectiveness of the implemented measures in mitigating impacts. This monitoring task is performed twice, once during the mid-term review and again at the end of the project. Reviewing effectiveness at mid-term can give an indication of the extent of progress made and allows recognition of potential shortcomings and modification of the mitigation approach. Assessing the effectiveness of mitigation at the end of the project allows lessons learned to be collected for future projects. The executing entity is encouraged to seek synergies between project monitoring and ESMP monitoring because some of the indicators developed for project results monitoring might also be used as evidence for verifying effectiveness of the ESMP (e.g., livelihood indicators of affected groups or indicators measuring changes in dependency on natural resources).

The ESMP monitoring tables are submitted as periodic reports to the ESMS Coordinator who reviews them and maintains them as records on the internal Project Portal.

The extent of supervision must be commensurate with the project's risks. For moderate-risk projects, ESMP supervision is part of the periodic project supervision missions. High-risk projects generally require supplemental ESMP supervision mission by qualified and experienced external experts to independently verify progress. If implementation of the ESMP deviates from schedule, the mission

⁶¹ IUCN Project Guidelines and Standards (PGS), Version 2.2, Module 4, available at www.iucn.org/pgs

⁶² See ESMS Guidance Note on Developing and Monitoring an ESMP, available at www.iucn.org/esms

must identify corrective actions in a corrective action plan. High-risk projects require public disclosure of monitoring reports.

If significant risks for communities are identified, affected parties must be included in monitoring. This requires participatory monitoring techniques, with careful selection of women and men as representatives from affected communities, as well as providing culturally appropriate guidance and/or capacity building, where appropriate.

Evaluation. The ESMP and all relevant ESMS action plans must be implemented before the project is formally concluded. This is particularly important for projects that require resettlement or affect peoples' livelihoods by restricting access to natural resources. As part of the end-of-project evaluation (see PGS, Module 5⁶³), the indicators established for monitoring effectiveness of the mitigation measures and achieved status will be reviewed and conclusions drawn as to which adverse impacts have been successfully avoided or mitigated. This might involve making recommendations for further action as needed. Evaluation reports are posted on the IUCN website.⁶⁴

4.6 Summary of ESMS review steps and disclosure and consultation requirements

An overview of the ESMS steps described above as well as responsible parties for each step and materials and templates that provide further guidance are shown in table 4.

⁶³ Available at www.iucn.org/pgs

⁶⁴ Disclosure of project information on the IUCN website will be linked to the development of the internal Project Portal.

Table 4: ESMS review steps, responsible parties and further guidance

IUCN Project Cycle	ESMS review steps		Responsible Party	Involved Parties	Guidance or Template
Project Concept ⁶⁵	Complete ESMS Questionnaire		Project proponent		ESMS Questionnaire -Template
	Projects ≥ CHF 500,000	ESMS screening & risk classification	ESMS Coordinator	ESMS Expert Team	ESMS Screening Report – Template
	Projects < CHF 500,000	Self-assessment & risk classification	Project proponent		ESMS Screening Report – Template
Development of Project Proposal	High-risk projects	ESMS Scoping Study	Project proponent or external expert	Project stakeholders	ESMS Guidance Note Scoping Study
		Full ESIA	External expert	Project stakeholders	ESMS Guidance Note ESIA
		Public consultation draft ESIA report	External expert	Project stakeholders	
	Moderate-risk projects	Partial ESIA	External expert ⁶⁶	Project stakeholders	Guidance Notes ESIA and SIA
	Appraisal of ESIA report including ESMP		ESMS Coordinator ⁶⁷ or project proponent	ESMS Expert Team	ESIA Appraisal – Template & Checklist
	ESMS clearance of project proposal		ESMS Coordinator	ESMS Expert Team	ESMS Project Clearance – Template & Checklist
Implementation & Monitoring	Implement mitigation measures (ESMP) & monitor progress		Executing entity		ESMP– Guidance Note & Template
	Review of ESMP monitoring		ESMS Coordinator ⁶⁸	ESMS Expert Team	
	Moderate- risk projects	ESMP supervision	As part of project supervision		
	High-risk projects	ESMP supervision	External expert		
Evaluation	Effectiveness of ESMP (as part of end-of-project evaluation)		External expert	ESMS Coordinator and Expert Team	

Note: ESMS = Environmental and Social Management System, ESIA = Environmental and Social Impact Assessment, ESMP = Environmental and Social Management Plan.

⁶⁵ In the PGS this stage is referred to as “Identification & Conceptualization” leading to the development of the project concept – here abbreviated with Project Concept.

⁶⁶ While the use of external experts is preferred, experts from IUCN Secretariat staff may be tasked with assessment studies for moderate-risk projects as long as an objective view can be guaranteed.

⁶⁷ For moderate-risk projects, which require only a partial ESIA, the approval of the final report (including the ESMP) is done by the project proponent; for high-risk projects and GEF projects, approval is done by the ESMS Coordinator.

⁶⁸ In the first phase of ESMS mainstreaming, this responsibility is assumed by the ESMS Coordinator supported by the ESMS Expert Team. In the long run this will be the responsibility of the entity supervising the project.

The minimum requirements established by the ESMS for disclosure of project information and consultation with relevant stakeholders along the IUCN project cycle were described in sections 4.1–4.5. A summary of the minimum requirements for disclosure is provided in Table 5 and for consultation in Table 6.

Table 5: Minimum requirements for disclosure of information

IUCN Project Cycle	Documents to be disclosed	Applicable for	When and where disclosed
Project Concept	ESMS Screening Report	High- and moderate-risk projects	IUCN website ⁶⁹
Development of Project Proposal	Non-technical summary of draft ESIA report and ESMP (or other ESMS action plans)	High-risk projects ⁷⁰	Prior to final stakeholder consultation, in local channels accessible by relevant stakeholders
	Final ESIA report including ESMP	High- and moderate-risk projects	IUCN website and local channels, prior to project approval
	Project proposal once approved and financing confirmed	All projects > CHF 500,000	IUCN website
Implementation & Monitoring	ESMP monitoring reports	High-risk projects	IUCN website
Evaluation	Findings of ESMP evaluation (as part of end-of-project evaluation)	High- and moderate-risk projects	IUCN website

Note: ESMS = Environmental and Social Management System, ESIA = Environmental and Social Impact Assessment, ESMP = Environmental and Social Management Plan.

In addition to summarizing the minimum requirements for public consultation along the IUCN project cycle Table 6 also specifies explicit ESMS steps that aim at verifying that provisions for public consultation have been followed; this includes verifying that specific groups, in particular women or vulnerable groups, have been provided the same level of opportunity for expression of opinion as other groups and in a culturally appropriate way.

The quality of the project design depends on effective and timely consultation. Table 6 describes the minimum requirements for public consultation, but consultations might be expanded depending on the context and the nature of risk and guided by the methodological recommendations in chapter 2.1.4. Project proponents are encouraged to dedicate sufficient time for consultations and to proceed in consecutive steps. However, they should also be mindful of stakeholders' time and resources to engage in the process.

⁶⁹ Disclosure of project information on the IUCN website will be linked to the development of the internal Project Portal.

⁷⁰ For projects financed by GEF, disclosure requirements are the same for moderate- and high-risk projects.

Consultations and regular contact should not stop at the end of the design phase but be maintained throughout project implementation to facilitate understanding, maintain constructive relationships and capture any changes and potential new risks or social issues.

Table 6: Minimum requirements for consultation

IUCN Project Cycle	Consultation requirement	ESMS verification of consultation requirement	Applicable for
Project Concept		ESMS Screening Report: assessment of extent of stakeholder engagement in past design process	All projects > CHF 500,000
Development of Project Proposal	ESIA Scoping Study: Consultation with relevant stakeholders to determine most critical impacts for focusing the ESIA		High-risk projects
	ESIA: Consultation with relevant stakeholders and affected groups to understand concerns, assess significance of impacts and identify mitigation measures		High- and moderate- risk projects
	ESIA: Final stakeholder consultation meeting to present draft ESIA report and draft ESMP and confirm assessment results and suitability of mitigation strategy		High-risk projects
	ESIA report: Description of consultation process, including summary of concerns raised and how these concerns have been addressed		High- and moderate- risk projects
		Appraisal of ESIA report: assessment of quality of stakeholder engagement in ESIA	High- and moderate- risk projects
		ESMS clearance: assessment of whether consultation results were appropriately incorporated in the project proposal.	High- and moderate- risk projects
Implementation & Monitoring	Monitor progress of ESMP implementation and effectiveness of mitigation measures: consult with affected groups		High-risk projects
Evaluation	Evaluate effectiveness of mitigation measures: stakeholder consultations including affected groups		High- and moderate- risk projects

Note: ESMS = Environmental and Social Management System, ESIA = Environmental and Social Impact Assessment, ESMP = Environmental and Social Management Plan.

Glossary

Cumulative Impacts	Impacts resulting from the successive, incremental, and/or combined effects of a development when added to other existing, planned and/or reasonably anticipated future ones. Examples: reduction of water flows in a watershed due to multiple withdrawals and forest habitat damage due to the combination of logging, road-building, resulting traffic and induced access.
Environmental and social risks	Defined in the Environmental and Social Management System (ESMS) as potential negative impacts expected from the proposed projects on communities and peoples' rights, livelihoods and well-being, and/or on the physical, natural, socio-economic or cultural environment.
Environmental and Social Impact Assessment (ESIA)	The process of identifying, predicting and evaluating a project's positive and negative environmental and social impacts as well as identifying ways of avoiding, minimising, mitigating and compensating these impacts. This process includes consultation with stakeholders who are directly or indirectly affected and the elaboration of an Environmental and Social Management Plan (ESMP). In this Manual the term ESIA is used to refer to all relevant types of impact assessments (full or partial environmental and social impact assessment, social impact assessment etc.) unless otherwise stated.
Environmental and Social Management Plan (ESMP)	A plan documenting a project's risk management strategy based on findings of an ESIA. The ESMP delineates the mitigation measures together with an implementation schedule, required resources and responsibilities. It further includes provisions for training and capacity building and institutional arrangements for implementing the Environmental and Social Management System and requirements for monitoring.
Executing entity	Entity managing a project (see definition chapter 3.1)
Guidance Note	Provides technical details and specific points that should be considered when applying a task in different situations. It can also include methodological advice, best practice and advice on priority issues and on tackling practical difficulties.
IUCN projects	Projects for which IUCN is the entity legally responsible, irrespective of the project implementation arrangement and the entities involved in its execution (see chapter 3.1).
Mitigation hierarchy	A sequence of actions to anticipate and avoid risks and impacts, or where avoidance is not possible to minimise and/or compensate for.
Avoidance	Measures taken to avoid creating impacts from the outset, such as careful spatial or temporal placement of infrastructure elements to avoid impacts.
Minimisation	Measures taken to reduce the duration, intensity and/or extent of impacts (including direct, indirect and cumulative impacts, as appropriate) that cannot be completely avoided, as far as is practically feasible.
Compensation	Measures taken to offset or remedy any residual significant adverse impacts that cannot be avoided or minimised.
Non-compliance	Non-fulfilment of a requirement

Procedure	Procedures prescribe and describe specific ways to perform an activity. They provide a series of steps to be followed in a particular order but, most importantly, they specify the entities responsible for taking the steps.
Project Appraisal and Approval System (PAAS)	A process nested within project life cycle management as laid out by the IUCN Project Guidelines and Standards (see below) defining IUCN's project appraisal and approval steps and responsibilities.
Project Complaints Management System (PCMS)	A system established at IUCN Headquarters that allows affected parties to submit complaints and grievances related to issues where IUCN projects have failed to respect ESMS principles, standards and procedures (see chapter 3.3.2).
Project Guidelines and Standards (PGS)	Guidance and common standards across the IUCN Secretariat for managing the project life cycle ⁷¹ .
Project proponent	Entity developing the project; may not be the same as the entity ultimately managing or executing the project.
Requirement	In the ESMS, a requirement is an obligation that must be complied with.
Residual impact	Project-related impacts that might remain after minimisation measures have been implemented. The determination of residual impacts needs to take into account the uncertainty of outcomes.
Rights-holder	An individual or group socially endowed with legal or customary rights with respect to land, water and natural resources.
Stakeholder	An individual or group who is potentially affected by or can influence a project.
Template	A predefined document (such as a contract, letter, form, and so on) that can be customised with variable data or text.
Uncertainty	Uncertainty is the deficiency of information, even partial, related to understanding an event, its consequence, or likelihood.
Wider area of influence	Areas, individuals and communities beyond the footprint of the project or activity affected by cumulative impacts from further planned development of the project or other sources of similar impacts in the geographical area, by any existing project or condition, or by other project-related developments that can realistically be expected at the time due diligence is undertaken.

⁷¹ Available at <http://www.iucn.org/pgs>