Outline of Presentation

1. **Background of the draft Environment & Social Management (ESM) Guidelines**

    The 2016 ESIA GLs; consultation since 2016

2. **Key elements of the draft ESM GLs**

    Differences b/n the current draft ESM GLs and the 2016 ESIA GLs

    - ESM Standards & Requirements

    - ESM Risk and Impact Assessment Process

3. **Recommendations**

Part I - Background & timeline

➢ 2016 (Nov) - CRF approved ESIA Guidelines & recommended implementation on a pilot basis

➢ 2018 (Nov)- CRF recommended ESIA GLs be amended to address implementation problems, including time/cost of assessment process

➢ 2019 (June) - Expert Panel suggests clearer objectives, more efficient process & better linkage between Checklist and ESS requirements

Part 1 – Consultants

Terms of Reference

➢ Augusts 2019 ITTO engaged to consultants to:

- Streamline 2016 ESIA GLs to address problems in user-friendly manner

- Clarify risk assessment process

- Build on guidance already in Project Manual

- Take into account GEEW Policy Guidelines (2017)

- Take into account ES processes used by FAO & IUCN

Part 1 - Recent process & timeline

➢ August-Sept: Consultants and Secretariat prepare draft "ITTO ESM GLs"

➢ 11 Sept: ED circulated draft ESM GLs to ITTO Members, inviting comments by 1 Oct

➢ Mid-Oct: Responses received from Guyana, Mexico & USA and consultants revise draft GLs accordingly

➢ Late Oct: Final draft ESM GLs posted on ITTO website

Part 2 – Key Elements of draft ESM Guidelines

Section I
Introduction

Section II
ESM Policy and Principles

Section III
ESM Standards & Requirements

Section IV
ESM Risk and Impact Assessment Process

Part 2 - How do draft ESM GLs refine/amend 2016 ESIA GLs?

➤ Broader <u>title</u> (ITTO ESM Guidelines) to better reflect nature of GLs which include ESIA as 1 part of assessment process

➤ Streamlined <u>Section I: Introduction</u>

➤ Streamlined <u>Section II: ESM Policy</u> & <u>Principles</u>:

- 4 objectives
- Scope of application (ITTO field projects)
- Users (Members, Secretariat, Expert Panel) and
- 5 guiding principles (same as 2016 but more focused & linked to SDGs/GFGs

Part 2 - How do draft ESM GLs refine/amend 2016 ESIA GLs?

Section III

ESM Standards and Requirements

➢ <u>Sections III & IV</u> reversed for more logical presentation (III = ESSs, IV = assessment process)

➢ <u>Section III:</u>

- Reduces ESS's from 8 to 7
- Consolidates some ESS's
- Introduces new ESS's
- Clarifies ESS requirements: content and presentation

Part 2: Key Elements of draft ESM Guidelines

Section III ESS's:

ESS 1 - Stakeholder engagement (new)

ESS 2 - Gender analysis (new)

ESS 3 - Biodi & ecosystem services

ESS 4 - Climate change mitigation & adaptation

ESS 5 - SFM natural tropical forests (new)

ESS 6 - Restoration & rehabilitation of degraded tropical forest landscapes

ESS 7 – Forest product production & processing (wood & non-wood)

ESS 1-4 are cross-cutting

Section IV

ESM

Risk & Impact Assessment Process

➢ Three risk categories (Same with 2016 ESIA GLs):

- **A = high risk proposals**

- **B = medium risk**

- **C = low/no risk**

➢ ES assessment process has been streamlined/clarified; draws on FAO & IUCN ES processes

Section IV
ESM
Risk & Impact Assessment Process

Step 1 – "ES Screening"

➢ All field project proposals are screened to get an initial risk assessment using expanded ES Checklist (Annex 2)

➢ Based on the completed checklist, proponent assigns the proposal a risk category (A B or C)

Step 2 – "ES Assessment" based on risk category

Part 2: Key Elements of draft ESM Guidelines

Section IV
ESM
Risk & Impact Assessment Process

> There are <u>3 levels</u> of ES assessment corresponding to risk category:

- <u>Cat C (low risk):</u> Requires an **ES review** consistent with ITTO Project Formulation Manual

  Annex A (GLs for stakeholders participation)

  Annex B (GLs for environmental impact of projects)

- <u>Cat B (medium risk)</u>: Requires an **ES Analysis (ESA)** per Annex 3

- <u>Cat A (high risk):</u> Requires an **ES Impact Assessment (ESIA)** per Annex 3 (to be prepared internally or externally)

ES Screening and Assessment Process (Fig 1)
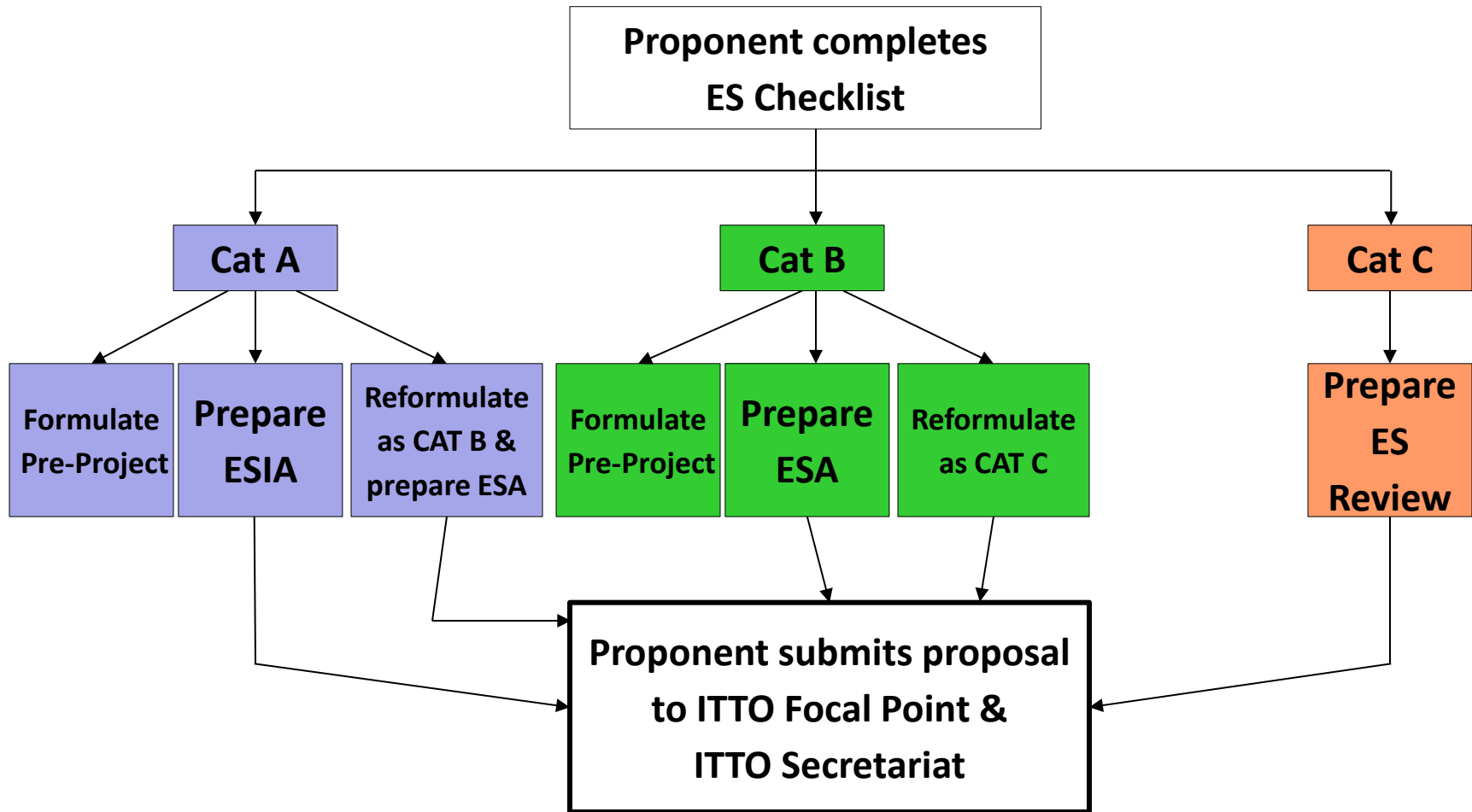
Option: Proponents may reformulate Cat A or B proposals to reduce risks

ITTO projects - Low risk to date

> Of 1000+ projects, pre-projects & activities funded by ITTO:

- Most were small-scale (less than USD1 mil) and **low** ES risk

- A few were **mediu**m ES risk

- None were **high** ES risk

> Likely to continue but useful to show that the ITTO ESM process can address the range of potential risk categories (A B C)
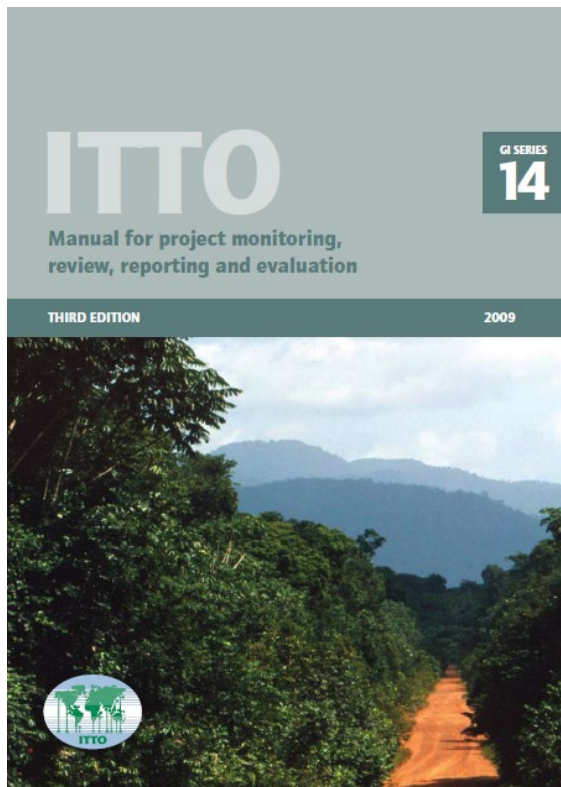
Section IV
ESM
Risk & Impact Assessment Process

ITTO
GI SERIES 14
Manual for project monitoring, review, reporting and evaluation
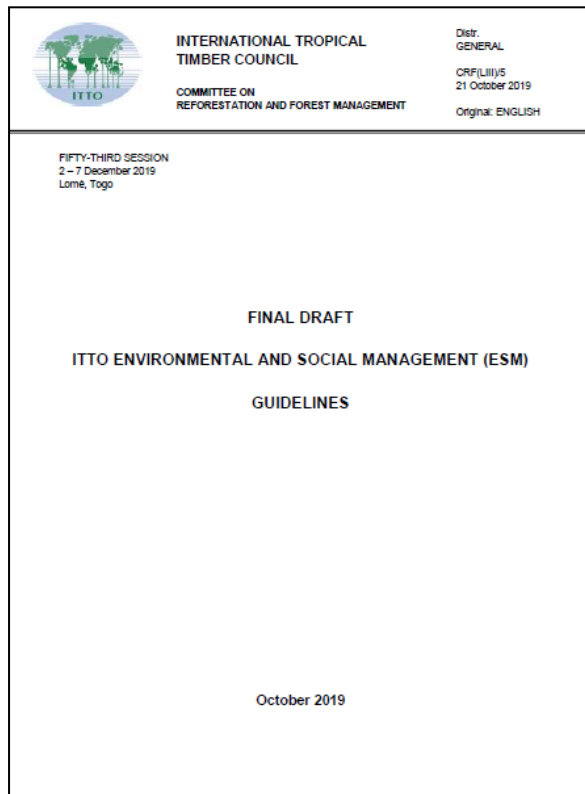**THIRD EDITION**   **2009**

➢ Step 3: ITTO Focal Point submits proposal to Secretariat with ES Review, ESA or ESIA

➢ Step 4: Regular ITTO proposal review process kicks in:

- Screening by Secretariat
- Appraisal by Expert Panel
- Review by Committee
- Approval by Council
- Funding by donors

➢ Steps 5 & 6: Implementation, M&E (per ITTO Monitoring & Evaluation Manual, ESM GLs)

Streamlined approach to ITTO project cycle
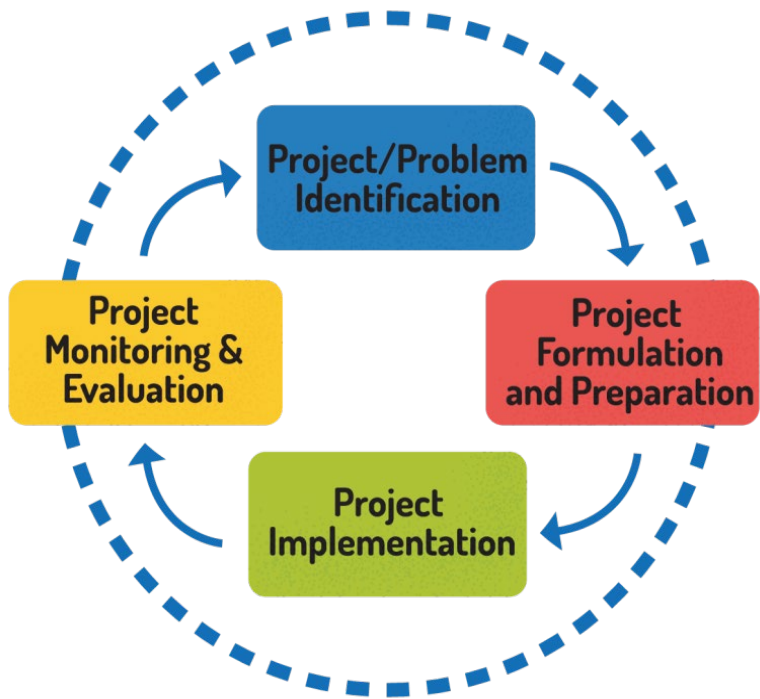
➢ ITTC 55 will consider piloting the financial WG proposal to make several changes to ITTO project cycle

➢ Features proposed include:

- Developing project "concept notes" as 1st step in proposal formulation

- "Co-development" of full project proposals with interested donors

➢ Envisions changes to project appraisal/ review process (Section IV)

➢ Cores of ESM GLs remain (Role of the Secretariat ↑)

3. Recommendations: Points for consideration

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FIFTY-THIRD SESSION
2 – 7 December 2019
Lomé, Togo

FINAL DRAFT

ITTO ENVIRONMENTAL AND SOCIAL MANAGEMENT (ESM)

GUIDELINES

October 2019

The delegates of the Committee are invited to

➢ Discuss the final draft ESM GLs

➢ Approve the ESM GLs for Council Decision

- Request the Executive Director to finalize the "ITTO Environmental and Social Management (ESM) Guidelines", taking into account Members' comments,
- Request the Executive Director to report on implementation of the ESM GLs at the next Council session.

➢ Advise on future work of the Committee/ Council on implementation and improvement of the ESM GLs

Thank you for your attention!

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