# Indicative Outline of an ESMF

This document provides an outline and key steps that should be considered when conducting or reviewing an Environmental and Social Management Framework (ESMF).The outline provided below can also be used as a general reference to assist in developing a Terms of Reference for undertaking an ESMF. See section 4.2 for further discussion on the use of ESMFs.

An ESMF sets out the principles, rules, guidelines and procedures for screening, assessing, and managing the potential social and environmental impacts of forthcoming but as yet undefined interventions. It contains measures and plans to avoid, and where avoidance is not possible, to reduce, mitigate and/or offset adverse risks and impacts. The ESMF specifies the most likely applicable social and environmental policies and requirements and how those requirements will be met through procedures for the screening, assessment, approval, mitigation, monitoring and reporting of social and environmental risks and impacts associated with the activities to be supported.

An ESMF is typically utilized when a project consists of a series of sub-projects/activities or the subsequent downstream implementation of policies, plans, programmes that cannot be fully assessed until the details of the sub-project or activities have been identified (often later in the project cycle). The ESMF ensures that the sub-project/activities are screened and assessed and that appropriate management measures are in place prior to implementation.

The ESMF procedures are to be designed to ensure compliance with the relevant social and environmental policy framework, including UNDP’s SES, during the implementation of the activities. The ESMF also specifies the inter-institutional arrangements for the preparation of time-bound action plans for avoiding, and where avoidance is not possible, reducing, mitigating, and managing adverse impacts related to the future activities or policies/regulations. It also contains provisions for estimating and budgeting the costs of such measures.

The ESMF should be prepared as a stand-alone document. A draft ESMF should be prepared as early as possible so that it can be publicly disclosed and be the subject of meaningful public consultation. Early disclosure and consultations on the draft ESMF ensure that stakeholders are kept informed of relevant issues that may affect them before specific activities or policies/regulations with potentially adverse social and environmental impacts are adopted.

It is critical to ensure that implementation of the ESMF is properly supervised. Project documentation needs to specify that sub-projects/activities which may potentially cause adverse social and environmental impacts may not proceed until they are screened and assessed and that appropriate management measures are in place, according to the rules and procedures of the ESMF.

**Indicative outline of an ESMF:**

**(1) Executive Summary:** Concise description of the ESMF including a summary of the required procedures information summarized from preliminary assessments (if conducted) and stakeholder consultations carried out during project preparation, including on the draft ESMF document.

**(2) Project description:** Concisely describes the proposed project and its social and environmental context. Summarizes project components, including typology of the future activities, sub-projects, policies, and/or regulations to be supported by the project.

**(3) Potential social and environmental impacts:** A description of the potential social and environmental risks and impacts, both positive and negative, related to typology of likely activities, sub-projects, policies, and/or regulations to be supported during project implementation. This should include a summary of, and elaboration on, the SESP findings, with discussion of the risks and impacts covered by the ESMF. Include identification of key activities that may not proceed until they are screened and assessed, and appropriate management measures are in place.

**(4) Legal and institutional framework:** Summarizes the legal and institutional framework for the project, including the following:

(a) the country's applicable policy framework (e.g. national laws and regulations) relating to relevant social and environmental issues, including obligations of the country directly applicable to the project under relevant international treaties and agreements;

(b) likely applicable requirements under UNDP’s SES, including the Principles and Standards triggered as per the SESP;

(c) other relevant social and environmental standards and/or requirements, including those of any other donors and development partners; and

(d) a gap analysis of the national social and environmental framework(s) and applicable requirements of UNDP’s SES (and those of other donors/development partners).

**(5) Required procedures for screening, assessment and management:** Specify the procedures for reviewing and addressing potential social and environmental risks and impacts of specific project activities, sub-projects, policies, or regulations to be adopted/implemented, including the following:

(a) Screening of social and environmental risks and impacts and determining applicable social and environmental standards and requirements (including UNDP SES). The screening process may utilize UNDP’s SESP or develop a specific screening procedure for the forthcoming type of sub-projects/activities.

(b) Appropriate types of social and environmental assessment to address identified potential social and environmental risks and impacts.

(c) Preparing and approving time-bound action plans for avoiding, and where avoidance is not possible, reducing, mitigating, and managing adverse impacts, including development of specific management plans according to applicable policies and regulations, including UNDP’s SES (e.g. Environmental and Social Management Plans which would be completed post-assessment). Where likely project activities would involve impacts to indigenous peoples or cause physical or economic displacement, then targeted management frameworks should be developed (i.e. Indigenous Peoples Planning Framework, Resettlement Planning Framework; see the relevant SES guidance notes).

If some projects activities are fully specified and others are yet to be defined, then the ESMF should differentiate between the needed assessment and management actions for the well-understood activities and procedures for the forthcoming but still undefined activities.

Excluding certain types of activities from consideration will likely facilitate social and environmental risk management of subprojects and components. Exclusion lists designate activities that may not receive project-related financing. Exclusion lists may focus on certain activities (e.g. no land acquisition that causes physical displacement, no conversion of natural habitat, etc.) or risk levels (e.g. no Substantial or High Risk subprojects).

**(6) Stakeholder engagement and information disclosure process:** Summarize the Stakeholder Engagement Plan, as appropriate. Describe procedures for ensuring consultation and stakeholder engagement during assessment, development of management plans, and monitoring of social and environmental impacts associated with specific project activities. Include information disclosure requirements. Include information on how stakeholders may access project grievance mechanisms (below) and UNDP’s Accountability Mechanism (SRM, SECU).

**(7) Grievance redress mechanism:** Describes effective processes for receiving and addressing stakeholder concerns and grievances regarding the project’s social and environmental performance.

**(8) Institutional arrangements and capacity building:** Clear definition of roles and responsibilities of project staff and associated agencies in implementation of project activities and application of social and environmental procedures (e.g. screening, assessment, preparation of management plans, monitoring). Assess the particular institutional needs within the implementation framework for application of the ESMF, including a review of the authority and capability of institutions at different administrative levels (e.g. local, district, provincial/regional, and national), and their capacity to manage and monitor ESMF implementation. Where necessary, capacity building and technical assistance activities should be included to enable implementing agencies and involved institutions and stakeholders to implement the ESMF, including preparation, implementation and monitoring of specific social and environmental management plans/measures.

**(9) Monitoring and evaluation arrangements:** Define the monitoring and evaluation arrangements in order to monitor the implementation of the ESMF and adoption of specific social and environmental management plans/measures, including the parameters to be measured and arrangements for stakeholder participation in such monitoring. Indicate whether third party reviews (annual, semi-annual, or even quarterly for higher risk activities) are utilized to assess compliance with the SES, derive lessons learned and help improve project performance.

**(10) Implementation Action Plan (schedule and budget)** **for ESMF implementation.** For the above aspects (specifying procedures for screening, assessment, mitigation and management, monitoring, capacity development, and stakeholder engagement), ESMF provides (a) an implementation schedule for measures that must be carried out as part of the project, showing phasing and coordination with overall project implementation plans; and (b) the capital and recurrent cost estimates and sources of funds for implementing the ESMF. These figures are also integrated into the total project cost tables. Each of the measures and actions to be implemented will be clearly specified and the costs of so doing will be integrated into the project's overall planning, design, budget, and implementation

**(11) Annexes** and List of Figures as applicable, including ToRs for specific tasks required to implement the ESMF, as appropriate.