

POLICY DEVELOPMENT

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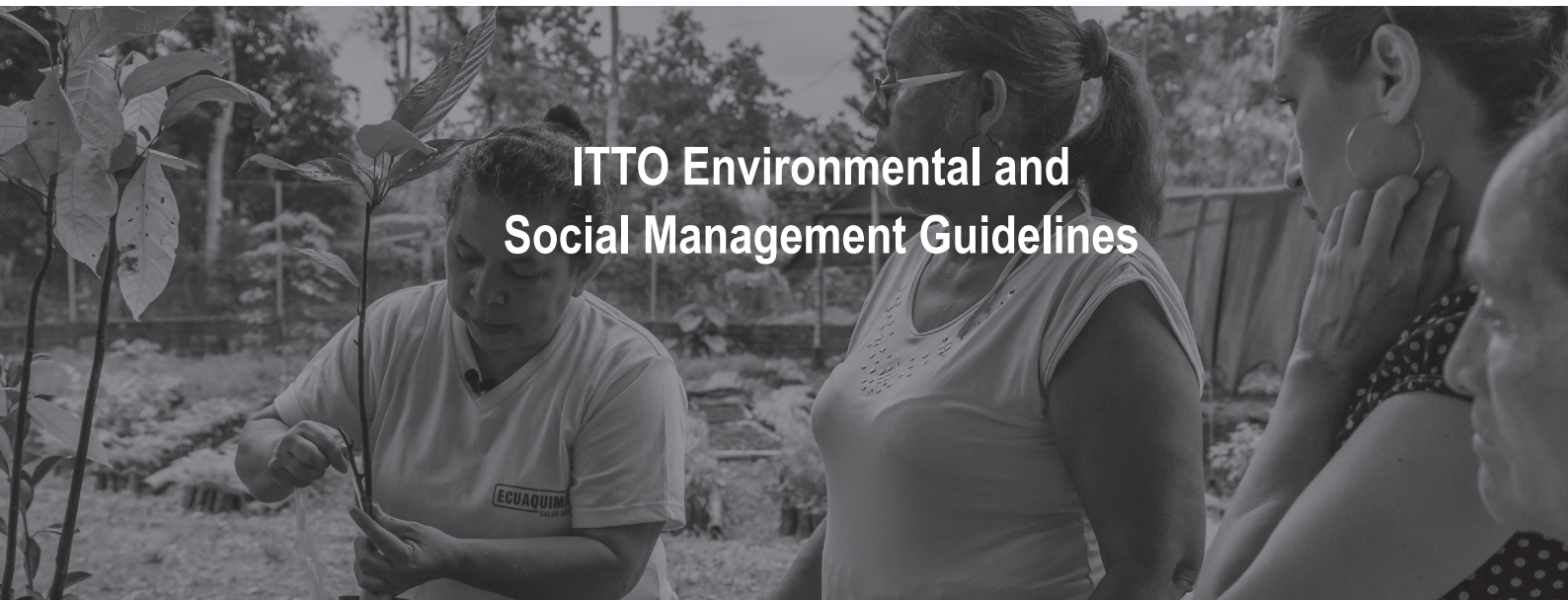
ENVIRONMENTAL AND SOCIAL MANAGEMENT GUIDELINES



Policy development series 23



International Tropical Timber Organization



ITTO Environmental and Social Management Guidelines

Policy development series No. 23



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The International Tropical Timber Organization (ITTO) is an intergovernmental organization promoting the conservation and sustainable management, use and trade of tropical forest resources. Its members represent the bulk of the world's tropical forests and of the global tropical timber trade. ITTO develops internationally agreed policy documents to promote sustainable forest management and forest conservation and assists tropical member countries to adapt such policies to local circumstances and to implement them in the field through projects. In addition, ITTO collects, analyzes and disseminates data on the production and trade of tropical timber and funds projects and other actions aimed at developing sustainable forest industries at both the community and industrial scales. Since it became operational in 1987, ITTO has funded more than 1000 projects, pre-projects and activities valued at more than USD 400 million. All projects are funded by voluntary contributions, the major donors to date being the governments of Japan and the United States of America.

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Front-cover photo: Local women work at the “Las Teresas” nursery established under an ITTO project in Chimborazo, Ecuador. The project has empowered local women and improved their livelihoods while helping restore the Chimbo River basin. *Photo: R. Idrovo/SENDAS*

Back-cover photo: Members of the Association of Women Producers and Traders of Secondary Forest Products (MALEBI) in Dimbokro, Côte d'Ivoire, pose as they plant a tree in the Ahua gazetted forest as part of their efforts to restore degraded land and develop sustainable enterprises, supported by an ITTO project. *Photo: Afrique Green Side*

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Foreword

ITTO's objectives and mandate, as laid out in the International Tropical Timber Agreement (ITTA), 2006, are to promote the expansion and diversification of international trade in tropical timber from sustainably managed and legally harvested forests and to promote the sustainable management of tropical timber-producing forests. Environmental and social safeguards are essential for ensuring that programmes, projects and activities undertaken in ITTO's name are good for people and the planet and in accordance with evolving international best practices and norms.

This publication, the ITTO Environmental and Social Management Guidelines, formalizes the Organization's commitment by providing a user-friendly and implementable system for integrating safeguards and risk management into the ITTO project-cycle process. The publication builds on and consolidates guidance contained in various existing ITTO guidelines and manuals and draws on best practices in other global bodies in mitigating and preventing harm to people and the environment.

The ITTO Environmental and Social Management Guidelines were adopted formally by the International Tropical Timber Council in December 2019. The document has been the work of many, but I would especially like to recognize the crucial roles played by Stephanie Caswell, Hiras Sidabutar, James Gasana and Ricardo Umali. I also thank Council delegates and the many other people who provided valuable comments and other inputs to ensure the high quality of these guidelines.

The ITTO Environmental and Social Management Guidelines will be an essential tool for raising the standard of ITTO's work and its contributions to achieving the objectives of the ITTA, the Global Forest Goals of the United Nations Forum on Forests, and the 2030 Agenda's Sustainable Development Goals.

Gerhard Dieterle

ITTO Executive Director

Acronyms

ES	environmental and social
ESA	ES analysis
ESIA	ES impact assessment
ESM	ES management
ESMP	ES management plan
ESS	ES standard
GFG	Global Forest Goal
ITTO	International Tropical Timber Organization
SDG	Sustainable Development Goal
SFM	sustainable forest management

Executive summary

The ITTO Environmental and Social Management Guidelines provide a systematic procedure for integrating safeguards and risk management into the ITTO project-cycle process. They apply to all field-project proposals entering the ITTO project cycle, including those addressing forest management, forest landscape restoration and the production, processing and supply chains of forest products. Intended users are ITTO members, the ITTO Secretariat, and the Expert Panel for the Technical Appraisal of Project and Pre-Project Proposals.

The guidelines enshrine five principles flowing from the Sustainable Development Goals and the Global Forest Goals that are essential for achieving ITTO's core objectives: 1) environmental sustainability; 2) social sustainability; 3) gender equality and empowering women; 4) good governance; and 5) security of tenure to forest land and access to forest resources. Under the broad umbrella of these principles are seven interconnected environmental and social standards addressing: 1) stakeholder engagement; 2) gender analysis; 3) conservation of biodiversity and protection of ecosystem services; 4) forest-based climate-change mitigation (including carbon storage in wood products) and adaption; 5) sustainable management of natural tropical forests; 6) restoration and rehabilitation of degraded forest landscapes; and 7) forest product production and processing (wood and non-wood).

The guidelines identify three risk categories for project proposals: **high**—projects with potential significant adverse environmental or social risks or impacts that are diverse, irreversible or unprecedented; **moderate**—projects with potential limited adverse environmental or social risks or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures; and **low**—projects with minimal or no adverse environmental or social risks or impacts. The guidelines set out a process for assessing the environmental and social risks presented by project proposals.

I. Introduction

1. Environmental and social (ES) safeguards are essential tools for preventing and mitigating harm to people and their environment in the development process and for helping ensure the success of proposed project activities. The process of identifying and assessing potential impacts can be an important opportunity for engaging stakeholders, empowering women, resolving conflicts, enhancing the quality of project proposals and increasing the ownership of project outcomes.
2. ITTO has been committed to responsible ES management in its field projects since the original publication of the ITTO Manual for Project Formulation in 1993. Subsequent editions of the project manual and the ongoing development of ITTO's policy and guidelines series¹ demonstrate the Organization's progressive commitment to ES sustainability and to an ongoing process of improvement in this regard.
3. The ITTO Environmental and Social Management (ESM) Guidelines continue this commitment by providing a user-friendly and implementable system for integrating safeguards and risk management into the ITTO project-cycle process.² Specifically, the ESM Guidelines:
 - build on the guidance contained in the ITTO Manual for Project Formulation (published in 2009), notably appendices A and B,³ taking into account recent developments in ES impact assessments;
 - streamline and refine the Guidelines for Environmental and Social Risks and Impacts Assessment in ITTO Projects (ESIA Guidelines)⁴ in a user-friendly manner and clarify the risk assessment process;
 - take into account and complement the ITTO Policy Guidelines on Gender Equality and Empowering Women (published in 2017) and Appendix D of the Project Manual;⁵ and
 - take into account the ES risk assessment processes used by the Food and Agriculture Organization of the United Nations and the International Union for Conservation of Nature.
4. This document has four sections. **Section II** presents the environmental and social management (ESM) policy framework, including guiding principles. **Section III** sets out seven ES standards and their associated scope and requirements. **Section IV** outlines the ESM risk and impact assessment process.

¹ Publications in the ITTO policy series can be found at www.itto.int/policy_papers

² The ESM Guidelines were adopted in Decision 6(LV) of the International Tropical Timber Council. They may be adjusted in future to reflect the results of Decision 8(LV) regarding pilot implementation of a programmatic approach and streamlined project cycle.

³ Appendix A: Guidelines for ensuring stakeholder participation in the project cycle. Appendix B: Guidelines to take account of the environmental impacts of projects

⁴ The ESIA Guidelines were approved by the Committee on Reforestation and Forest Management in 2016 with the recommendation that they be implemented on a pilot basis.

⁵ Appendix D: Guidelines for project-related gender analysis.

II. ESM policy and principles

5. This section sets out the policy framework for the ESM Guidelines, including objectives, scope of application, primary users and a set of five guiding principles.

Objectives

6. The objectives of the ESM Guidelines are to:
 - provide a systematic procedure for identifying and assessing potential ES risks and impacts of project proposals supported by ITTO and for avoiding, minimizing, mitigating and managing adverse impacts;
 - strengthen the integration of ES safeguards into the ITTO project cycle;
 - enhance the ES benefits and opportunities generated by ITTO-supported field projects; and
 - enhance the contribution of ITTO-supported field projects to the ES goals of ITTO member countries and to internationally agreed forest-related goals.

Scope of application

7. The ESM Guidelines apply to all field-project proposals entering the ITTO project cycle, whether developed or co-developed by members or the Secretariat. They include projects that affect forest management, forest landscape restoration and the production, processing and supply chains of forest products, including capacity building and demonstration projects.

Users

8. The ESM Guidelines are intended primarily for use by:
 - ITTO members in formulating and reviewing project concept notes and proposals for submission to the ITTO Secretariat;
 - the ITTO Secretariat in the initial screening of project proposals and in monitoring project implementation and evaluating completed projects; and
 - the Expert Panel for the Technical Appraisal of Project and Pre-Project Proposals in reviewing and scoring project proposals that have cleared the Secretariat's initial screening process.
9. The Secretariat will also use the ESM Guidelines in formulating project concepts and proposals, including collaborative and joint projects with other organizations and institutions.

Principles

10. The ESM Guidelines enshrine the following five closely interrelated principles essential for achieving ITTO's core objectives. The principles flow from the Sustainable Development Goals (SDGs) set out in the 2030 Agenda for Sustainable Development and the Global Forest Goals (GFGs) set out in the UN Strategic Plan for Forests 2017–2030. All field projects financed in part or in whole by ITTO will reflect these principles.

Principle 1: Environmental sustainability

Environmental sustainability encompasses the essential functions provided by forest ecosystems, including soil and water conservation, carbon sequestration and disaster risk reduction, as well as forest biodiversity values. Consistent with SDG 15 and GFGs 2 and 3, ITTO is committed to conserving, maintaining and where possible restoring forest ecosystem services, conserving and sustainably using biodiversity, and maintaining and enhancing forest health and vitality.

Principle 2: Social sustainability

Social sustainability refers to the people, households, communities, workers and other societal groups living in and around an area or active in an enterprise that may be affected (positively or negatively) by a project. Consistent with SDG 8 and GFG 2, ITTO is committed to maintaining and enhancing forest-based socioeconomic benefits and opportunities, supporting job creation and safe and healthy working conditions, and preserving cultural heritage.

Principle 3: Gender equality and empowering women

Gender equality is a matter of human rights and a core ITTO value. Consistent with SDG 5 and the ITTO Policy Guidelines on Gender Equality and Empowering Women, ITTO is committed to gender mainstreaming and enhancing gender-equality outcomes across its policy and project work. ITTO recognizes that the achievement of its objectives will be accelerated by projects and other activities that seek to close the gender gap and to empower women at all levels.

Principle 4: Good governance

Governance is the process of making and implementing decisions. Consistent with SDG 17 and GFG 5, ITTO recognizes that good governance is based on participatory, transparent, responsive and inclusive decision-making; coherent cross-sectoral policies; accountable and effective institutions; and the rule of law. ITTO is committed to promoting good governance, which is essential for achieving project objectives.

Principle 5: Security of tenure to forest land and access to forest resources

Secure tenure to forest land and access to forest resources is an important aspect of good governance. Tenure security is essential for the livelihoods, subsistence, well-being and resilience of forest-dependent communities and for realizing sustainable forest management (SFM) at the local level. Consistent with SDG 1, ITTO is committed to fully recognizing and supporting the ownership, control and customary rights of local communities and indigenous peoples to forest land and resources.

III. ESM standards and requirements

Environmental and social standards

11. As shown in Table 1, the ESM Guidelines focus on seven interconnected environmental and social standards (ESSs) under the broad umbrella of the five principles. These ESSs provide a framework for managing and improving the performance and success of ITTO field projects.

Table 1: ITTO environmental and social standards

No.	Standard	Area of ITTO work
ESS 1	Stakeholder engagement	Cross-cutting
ESS 2	Gender analysis	Cross-cutting
ESS 3	Conservation of biodiversity and protection of ecosystem services	Cross-cutting
ESS 4	Forest-based climate-change mitigation (including carbon storage in wood products) and adaption	Cross-cutting
ESS 5	Sustainable management of natural tropical forests	Reforestation and forest management
ESS 6	Restoration and rehabilitation of degraded forest landscapes	Reforestation and forest management
ESS 7	Forest product production and processing (wood and non-wood)	Forest industry

ESS scope and requirements

12. The scope and associated requirements of each of the seven ESSs are set out below.

ESS 1: Stakeholder engagement

Scope: ESS 1 applies to all ITTO field projects.

Requirements: Depending on the project area and focus, stakeholders might include forest owners, users and workers, women, local communities, indigenous peoples, non-governmental organizations, the scientific community, the philanthropic community, the private sector, local authorities and donor organizations active in the area. All project proposals will:

- identify, analyze and involve stakeholders through a stakeholder analysis in line with the guidance contained in Appendix A of the ITTO Manual for Project Formulation, building, where applicable, on existing stakeholder processes and analyses;
- ensure that stakeholders are appropriately engaged in all stages of the project cycle; and
- promote secure tenure and access to forest land and resources by user groups, including subsistence users of non-wood forest products.

ESS 2: Gender analysis

Scope: ESS 2 is related to and builds on ESS 1 and applies to all ITTO field projects.

Requirements: Consistent with Section V (Element 2) of the ITTO Policy Guidelines on Gender Equality and Empowering Women, all project proposals will:

- ensure that men and women are provided with equitable opportunities to be included in stakeholder consultations and decision-making during project formulation, implementation and evaluation;

- be gender sensitive by examining and describing gender roles, norms, relations and potential project impacts through gender analyses in line with the guidance contained in Appendix D of the ITTO Manual for Project Formulation; and
- seek to generate gender co-benefits in project design by incorporating gender equality and the empowerment of women in the project design process.

ESS 3: Conservation of biodiversity and protection of ecosystem services

Scope: ESS 3 applies to all ITTO field projects.

Requirements: All project proposals will

- apply integrated conservation and development approaches in defining project interventions to ensure that all project impacts are adequately managed;
- include provisions to minimize human–wildlife conflicts and bushmeat-related issues that might arise due to project activities;
- minimize and carefully scrutinize project interventions that could affect primary forests, critical habitats, or environmentally sensitive or high-value conservation areas or pose risks to endangered or threatened species;
- avoid interventions that could have negative impacts on forest health or increase the vulnerability of forests to diseases, pests, invasive alien species or wildfire;
- avoid interventions that could have negative impacts on soil and water resources;
- comply with relevant national, subnational and local environmental laws and regulations; and
- comply with the ITTO member's applicable international obligations (e.g. as a party to the Convention on Biological Diversity, the Convention on International Trade in Endangered Species of Wild Fauna and Flora, and the Ramsar Convention on Wetlands of International Importance).

Projects involving timber harvesting and production will adhere to the ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Timber Production Forests.

ESS 4: Forest-based climate-change mitigation (including carbon storage in wood products) and adaptation

Scope: ESS 4 applies to all ITTO field projects.

Requirements: All project proposals will:

- maintain and where possible enhance the role of forests as sinks and reservoirs for greenhouse gases by, for example, maintaining or increasing forest area, maintaining or enhancing forest carbon stocks, improving forest health, and reducing the risk of wildfire;
- maintain and where possible increase the resilience and adaptive capacity of forest ecosystems and forest-dependent local communities to disasters and the impacts of climate change; and
- comply with the relevant international obligations of the ITTO member as a party to the United Nations Framework Convention on Climate Change and the Paris Agreement on climate change and contribute to the member's forest-related nationally determined contributions.

ESS 5: Sustainable management of natural tropical forests

Scope: ESS 5 applies to all ITTO field projects that deal with SFM and are sited all or partially in natural tropical forests.

Requirements: All project proposals will be consistent with the requirements set out in ESSs 1–4. In addition:

- All project proposals will
 - adhere to the ITTO Voluntary Guidelines for the Sustainable Management of Natural Tropical Forests; and
 - benefit local forest-dependent communities wherever possible and avoid activities that could reduce the income-generating capacity of the rural poor and forest-dwelling communities.
- Project proposals involving timber harvesting at any scale will:
 - apply reduced impact logging techniques to minimize environmental damage;
 - comply with applicable national, subnational and local SFM performance standards and labour and worker-safety standards; and
 - comply with the ITTO member's relevant international obligations (e.g. as a member of the International Labour Organization).

ESS 6: Restoration and rehabilitation of degraded forest landscapes

Scope: ESS 6 applies to all ITTO field projects that deal with the restoration and rehabilitation of degraded forest landscapes, reforestation, and/or forest plantation development and management.

Requirements: All project proposals will be consistent with the requirements set out in ESSs 1–4. In addition, all project proposals:

- involving forest restoration, forest rehabilitation or reforestation will
 - adhere to the ITTO Guidelines for Forest Landscape Restoration in the Tropics; and
 - comply with the ITTO member's commitments under the United Nations Convention to Combat Desertification and contribute to the member's national action programme.
- involving the management or development of plantation forests will
 - adhere to the ITTO Guidelines for the Establishment and Sustainable Management of Planted Tropical Forests; and
 - select tree species in close consultation with local stakeholders, taking into account the ecological, social, cultural and economic values of the species.

ESS 7: Forest product production and processing (wood and non-wood)

Scope: ESS 7 applies to all ITTO field projects that involve the production or processing of wood and non-wood forest products.

Requirements: All project proposals will be consistent with the requirements set out in ESSs 1–4. In addition:

- All project proposals will
 - benefit local forest-dependent communities through, for example, the creation of decent jobs, entrepreneurship, market opportunities, and enhanced local incomes and income diversification;
 - promote the efficient and innovative production and processing of forest products;
 - be aligned with and contribute to national forest-sector plans;
 - comply with applicable national, subnational and local labour standards (e.g. regarding worker health and safety, child labour, and sexual harassment) and water- and air-quality standards; and
 - comply with the ITTO member's relevant international obligations (e.g. as a member of the International Labour Organization).
- All projects involving wood production or processing will
 - seek to build the capacity of forest operators and processors; and
 - reduce waste generation, avoid hazards posed by waste to human health and the environment, and, where possible, enhance recycling.

IV. ESM risk and impact assessment process

Risk categories

13. The ITTO ESM process identifies three ES risk categories for project proposals, as shown in Table 2. Annex 1 provides an indicative list of the types of proposal that fall into these risk categories.⁶

Table 2: ITTO risk categories for project proposals

Category	Risk level	Scope of impacts	Typical measures
A	High	Projects with potential significant adverse environmental or social risks or impacts that are diverse, irreversible or unprecedented	Compensation Mitigation Minimization
B	Moderate	Projects with potential limited adverse environmental or social risks or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures	Mitigation Minimization
C	Low/none	Projects with minimal or no adverse environmental or social risks or impacts	Impact avoidance or prevention (as needed)

ES risk assessment process

14. The ESM risk assessment process consists of the following three levels of analysis that correspond to a proposal's potential risk category (as set out in Table 2):
1. Environmental and social review for category C proposals
 2. Environmental and social analysis (ESA) for category B proposals
 3. Environmental and social impact assessment (ESIA) for category A proposals.
15. These analyses are triggered by an initial "ES screening", which is required for all project proposals and should be included in proposals before submission to the ITTO Secretariat.

ES screening—all proposals

16. The purpose of ES screening is to provide an initial assessment of a proposal's potential risks and impacts (negative and positive). It is conducted by the project proponent using the ES checklist questionnaire contained in Annex 2, which is based on the ESS requirements set out in Section III. Proponents will assign their best estimate of a project's risk category (i.e. A, B or C) based on responses to the ES checklist, taking into account Annex 1 as a reference, where appropriate.

⁶ Annex 1 is informational in a broad sense. Terms like "significant", "moderate" and "small-scale" are elastic, qualitative and subjective. Whether a project proposal's potential risks are high, moderate or low (category A, B or C) will need to be assessed on a case-by-case basis.

ES review—category C proposals

17. If the results of the ES screening indicate that the proposal may be category C (low/no risk), the project proponent will: 1) prepare a concise narrative justification of the category C rating; and 2) conduct an ES review consistent with the guidance contained in appendices A, B and D of the ITTO Manual for Project Formulation. The results of the ES review, together with the completed ES checklist and category C justification, will be included in the project proposal submitted to the ITTO focal point for transmission to the ITTO Secretariat. The ITTO Secretariat will consider the ES review, checklist and justification as part of its regular project screening before forwarding proposals to the Expert Panel for the Technical Appraisal of Project and Pre-project Proposals (hereinafter referred to as the Expert Panel).

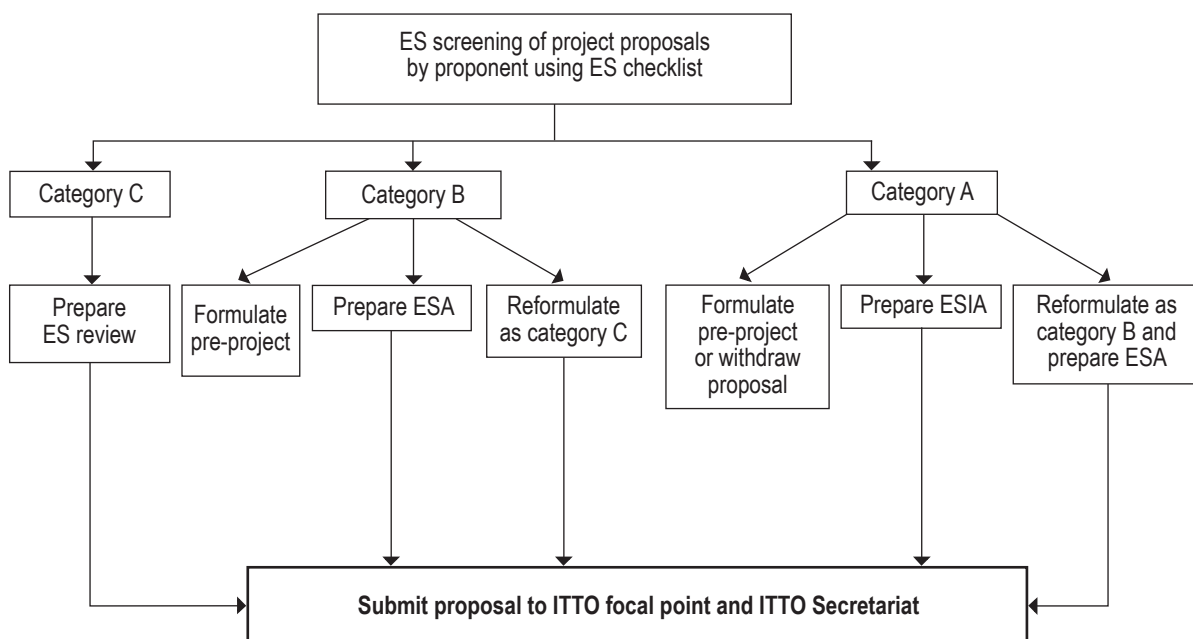
ES analysis—category B proposals

18. If the results of the initial ES screening indicate that the proposal may be category B (moderate risk), the proponent has the following three options:
 1. prepare an ESA consistent with the guidance contained in Annex 3;
 2. modify/reformulate the proposal to reduce potential risks, such that the proposal may qualify for category C (minimal/no risk); or
 3. formulate a pre-project proposal based on key conceptual elements of the original proposal, consistent with guidance in the ITTO Manual for Project Formulation.
19. The ESA may be prepared internally if capacity exists, or the proponent may engage an external expert to undertake the ESA. Whether the ESA is prepared internally or externally, the project proponent will include the ESA report as an annex to the project proposal submitted to the ITTO focal point for transmission to the ITTO Secretariat. The ITTO Secretariat will review the ESA report as part of its regular project screening process before forwarding proposals to the Expert Panel for appraisal and ES clearance.

ES impact assessment—category A proposals

20. If the results of the ES screening indicate that the proposal may be category A (high risk), the proponent has the following four options:
 1. prepare an ESIA consistent with the guidance contained in Annex 3;
 2. modify or reformulate the proposal to reduce potential risks, such that the project may qualify as category B (moderate risk) or C (low/no risk) and prepare an ESA consistent with paragraph 19 above and Annex 3;
 3. formulate a pre-project proposal based on key conceptual elements of the original proposal, consistent with guidance in the ITTO Manual for Project Formulation; or
 4. withdraw the proposal.
21. An ESIA is more comprehensive than an ESA. It is recommended, but not required, that ESIA's are prepared by external experts to ensure independent and credible analyses and findings. Whether an ESIA is prepared internally or externally, the project proponent will include the ESIA report as an annex to the project proposal submitted to the ITTO focal point for transmission to the ITTO Secretariat. The Secretariat will review the ESIA report as part of its regular project screening process before forwarding proposals to the Expert Panel for its appraisal and ES clearance.

Figure 1: ES screening process



Note: ES = environmental and social; ESA = environmental and social analysis; ESIA = environmental and social impact assessment.

ES implementation, monitoring and evaluation

22. For a project proposal approved by the Council (based on the recommendation of the relevant committee) and subsequently funded, the project's ES aspects will become an integral part of project implementation, monitoring and evaluation, as follows:
 - **Category C** projects will be implemented consistent with the relevant provisions of the ITTO Manual for Project Formulation and monitored and evaluated consistent with the ITTO Manual for Project Monitoring, Review, Reporting and Evaluation.
 - **Category A and B** proposals will be implemented, monitored and evaluated consistent with the ES Management Plan (ESMP) contained in the respective ESA or ESIA report.
23. Table 3 illustrates how ES safeguards are integrated into the ITTO project cycle, from project proposal formulation and appraisal through project implementation, monitoring and evaluation.

Table 3: Environment and social review steps, responsible parties and requirements

Project cycle	ES review steps		Responsible party/person	Involved party	Guidance document(s)
Steps 1 & 2 Project formulation	Step 1: ES screening to determine whether category A, B or C 		Proponent	Focal point	ESM guidelines (ES checklist)
	Step 2:				
	Category C	Conduct ES review	Proponent	Focal point	ESM guidelines ITTO project manual and its appendices A, B and D
	Category B	Prepare ESA	Internal or external expert	Proponent Focal point	ESM guidelines
	Category A	Prepare ESIA			
Step 3 Submission of project proposal to ITTO	Category C	Include ES review (with checklist and narrative justification)	Focal point	Proponent	ESM guidelines ITTO project manual and its appendices A, B and D
	Category B	Annex ESA	Focal point	Proponent	ESM guidelines
	Category A	Annex ESIA			
Step 4 Project proposal screening, appraisal and clearance	ES screening		Secretariat		ESM guidelines
	ES appraisal		Expert Panel	Secretariat	ESM guidelines
	ES clearance		Expert Panel	Secretariat	Expert Panel report
Step 5 Project approval and funding	ES approval		Council	Committee	Committee report Council decision
	ES funding		Donor(s)	Secretariat	Project proposal Donor allocation guidance
Step 6 Project implementation	Category C	ES implementation	Executing agency(ies)		Project manual and its appendices
	Category B	ESA implementation		Internal or external expert	ESMP (from ESA report)
	Category A	ESIA implementation		Internal or external expert	ESMP (from ESIA report)
Step 7 Project monitoring and evaluation	Category C	ES supervision	Secretariat		ITTO monitoring and evaluation manual
	Category B	ESA supervision	Secretariat	Internal or external expert	ESMP (from ESA report)
	Category A	ESIA supervision	Secretariat	Internal or external expert	ESMP (from ESIA report)

Note: ES = environmental and social; ESM = environmental and social management; ESA = environmental and social analysis; ESIA = environmental and social impact assessment; ESMP = environmental and social management plan.

Annex 1: Indicative types of project proposals, by risk category

Category A—high risk

Examples include project proposals that:

- Involve large-scale industrial forestry
- Involve extensive new road construction using heavy equipment
- Involve extensive forest clearing or forest land-use change
- Negatively affect primary forests or other high-conservation-value forests
- May significantly increase forest vulnerability to fire, diseases or pests
- May adversely affect critical habitats or highly sensitive ecosystems
- May adversely affect the rights, lands, resources or territories of indigenous peoples
- May adversely affect the rights, roles or influence of women
- Adversely affect sources of local income
- Involve the significant displacement or resettlement of people
- Significantly reduce water quality, quantity or flow
- Significantly increase the risk of flooding, mudslides or other disasters
- Produce significant greenhouse-gas emissions
- Pose serious occupational or health risks
- Generate deliverables that cannot be sustained over time by the implementing country

Category B—moderate/medium risk

Examples include project proposals that involve/include:

- Medium-scale reforestation/restoration
- Medium-scale wood product production and processing
- Minor to moderate forest clearing or forest land-use change
- Moderate expansion/intensification of planted forests
- Interventions with potential negative socioeconomic effects (e.g. increased conflict between user groups)
- Short-distance road construction through forest landscapes
- Limited human resettlement

Category C—minimal or no risk

Examples include project proposals that focus on:

- Education, training or capacity building
- Demonstration activities, including reduced impact logging techniques
- Forest policy development
- Forest management planning and studies
- Community forest management activities (e.g. small-scale watershed and habitat management or small-scale infrastructure)
- Small-scale reforestation/restoration
- Small-scale forest-based enterprises
- Field surveys and forest inventories (including remote sensing and geospatial analysis)
- Research and extension services

Annex 2: ITTO environmental and social screening checklist questionnaire

Project document number:

Evaluator:

Date:

This environmental and social (ES) checklist questionnaire is for use by project proponents in conducting initial ES screening of the potential risks/impacts of a project proposal based on available data and information.¹ For each question, please provide one of the following answers: yes, no, unknown or not applicable (N/A). Based on the completed checklist, please rate potential project risks/impacts as category A (high risk), category B (moderate risk) or category C (low/no risk).	
PART 1—PRINCIPLES <i>For questions 1–11: Do project activities/interventions have the potential to—</i>	Answer (yes, no, unknown or N/A)
Principle 1: Environmental sustainability	
1. Adversely affect the essential functions of forest ecosystems, for example by reducing carbon sequestration, increasing disaster risk or impairing forest health, water quality or air quality?	
2. Adversely affect (directly or indirectly) nationally or internationally threatened or endangered species (listed or proposed for listing) or their habitats?	
<i>Brief justification of answers to questions 1–2</i>	
Principle 2: Social sustainability	
3. Adversely affect the livelihoods, subsistence or well-being of communities of people, including marginalized or vulnerable individuals or groups or people living in poverty?	
4. Adversely affect forest-based socioeconomic benefits and opportunities, working conditions or cultural heritage?	
<i>Brief justification of answers to questions 3–4</i>	
Principle 3: Gender equality and empowering women	
5. Adversely affect gender equality or the situation of women and girls?	
6. Discriminate against women based on gender or make it difficult for women to participate in, influence and benefit from project design and implementation?	
<i>Brief justification of answers to questions 5–6</i>	

¹ The content and level of detail in an ES screening will vary widely depending on the scale, scope and nature of the project proposal.

Principle 4: Good governance	
7. Provide less than meaningful stakeholder participation during any part of the project process or demonstrate a lack of transparency, accountability or inclusive decision-making?	
8. Foster a non-cross-sectoral approach to issue identification and resolution?	
9. Fail to follow the rule of law?	
<i>Brief justification of answers to questions 7–9</i>	
Principle 5: Security of tenure to forest land and access to forest resources	
10. Trigger land conflicts or worsen unresolved issues concerning legal or customary rights to forest land or access to forest resources?	
11. Negatively affect indigenous peoples in terms of their rights, lands, resources or traditional livelihoods, or encroach on territories customarily used or occupied by indigenous peoples?	
<i>Brief justification of answers to questions 10–11</i>	
PART 2: ENVIRONMENTAL AND SOCIAL STANDARDS <i>For questions 1–30: If implemented, is the project likely to—</i>	Answer (yes, no, unknown or N/A)
ESS 1: Stakeholder analysis	
1. Ensure that stakeholders will be engaged in all stages of the project cycle, including implementation, monitoring and evaluation?	
2. Improve existing forest-related land-tenure arrangements?	
ESS 2: Gender analysis	
3. Provide equitable opportunities for men and women in stakeholder consultations and decision-making during project formulation, implementation and evaluation?	
4. Generate gender co-benefits in project interventions?	
5. Include then collection of quantitative or qualitative sex-disaggregated data?	
ESS 3: Conservation of biodiversity and protection of ecosystem services	
6. Reflect an integrated conservation and development approach in defining project interventions to manage impacts?	
7. Adhere to the ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Timber Production Forests?	
8. Comply with relevant national/subnational/local environmental laws and regulations?	

9. Comply with your country's international obligations (e.g. as a party to the Convention on Biological Diversity, the Convention on International Trade in Endangered Species of Wild Fauna and Flora and the Ramsar Convention on Wetlands of International Importance)?	
10. Exacerbate human–wildlife conflicts or bushmeat issues?	
11. Degrade primary forests, critical habitats or environmentally sensitive or high-conservation-value areas, or pose risks to endangered or threatened species?	
12. Increase forest vulnerability to diseases, pests, invasive alien species or wildfire?	
13. Increase the risk of disasters (e.g. floods, landslides)?	
ESS 4: Forest-based climate-change mitigation (including carbon storage in wood products) and adaptation	
14. Maintain or increase/enhance forest area and/or carbon stocks?	
15. Increase the risk of wildfire?	
16. Maintain or increase the resilience and adaptive capacity of forest ecosystems and local communities to natural disasters and the impacts of climate change?	
17. Comply with your country's relevant international obligations as a party to the United Nations Framework Convention on Climate Change and the Paris Agreement on climate change and contribute to its forest-related nationally determined contributions?	
ESS 5: Sustainable management of natural tropical forests	
18. Benefit local communities?	
19. Adhere to the ITTO Voluntary Guidelines for the Sustainable Management of Natural Tropical Forests?	
20. Apply reduced impact logging techniques?	
21. Comply with applicable national/subnational/local SFM performance standards and safety standards for forest workers (e.g. loggers and equipment operators)?	
22. Comply with your country's relevant international obligations (e.g. as a member of the International Labour Organization)?	
ESS 6: Restoration and rehabilitation of degraded forest landscapes	
23. Adhere to the ITTO Guidelines for Forest Landscape Restoration in the Tropics?	
24. Adhere to the ITTO Guidelines for the Establishment and Sustainable Management of Planted Tropical Forests?	
25. Select tree species for planting in close consultation with local stakeholders, taking into account the ecological, social, cultural and economic values of the species?	
ESS 7: Forest product production and processing (wood and non-wood)	
26. Create local employment, business or market opportunities?	
27. Promote the efficient and innovative production and processing of forest products?	

28. Comply with national/subnational/local air- and water-quality standards and labour standards for production workers (e.g. regarding health and safety, child labour and sexual harassment)?	
29. Comply with your country's relevant international obligations (e.g. as a party to the Convention on Biological Diversity, the Convention on International Trade in Endangered Species of Wild Fauna and Flora and the Ramsar Convention on Wetlands of International Importance, or as a member of the International Labour Organization)?	
30. Reduce waste and/or increase recycling?	

Annex 3: Key elements of an ITTO environmental and social impact assessment and environmental and social analysis

A. Elements of an environmental and social impact assessment

An environmental and social (ES) impact assessment (ESIA)¹ is prepared for project proposals rated as category A—that is, projects with potentially significant adverse environmental or social risks and/or impacts that are diverse, irreversible or unprecedented. An ESIA report will include the following sections:

1. Project description

This section concisely describes the proposed project, including proponents and other participants and their roles; location and geographic extent (with a map); and objectives, expected results/outcomes/outputs and main activities, including a log frame.

2. Analysis of the legal, policy and administrative framework

This section concisely describes the legal, regulatory and administrative (jurisdictional) framework within which the project will take place. It identifies national, subnational and local laws and regulations pertaining to the ES aspects of the project, as well as the requirements of co-financing partners, if applicable.

3. Stakeholder engagement, including women

This section builds on the stakeholder and gender analyses conducted during initial project formulation. It describes how stakeholders (women and men) have been further engaged to help identify and describe potential ES risks/impacts and the measures needed to address them. It summarizes the views, inputs and expectations in this regard by stakeholder group, including women. It also outlines opportunities for further stakeholder consultations, as appropriate.

4. Baseline data

This section describes existing ES conditions in the project area. This includes biophysical conditions (e.g. area of forest; forest health and related threats; soil and water conditions; and species diversity) and socioeconomic conditions (e.g. use of and access to forests and forest resources; forest-based and other income-generating enterprises; microfinancing; and the roles of women and men). Where appropriate, the section also includes a description of the roles of forests and forest resources at the landscape level.

5. Risk/impact assessment

This section is at the heart of the ESIA report. Building on responses to the ES checklist questionnaire, the section itemizes and describes ES risks and impacts with reference to the baseline data in section 4, makes predictions about their probability and assesses their significance. This section should give particular attention to risks/impacts with respect to the seven ITTO ES standards, such as potential adverse effects on ecosystem services, community livelihoods and cultural heritage.

¹ The content and level of detail in an ESIA will vary widely depending on the scale, scope and nature of the project proposal.

6. Analysis of options

This section considers options for reducing and mitigating the impacts/risks identified in section 5, for example by modifying or eliminating project components, adding additional safeguards, and incorporating or enhancing capacity-building activities. The analysis should identify the preferred option and explain why it was chosen.

7. Environmental and social management plan

This section sets out the specific measures to be undertaken to manage (avoid, minimize, mitigate or compensate) the risks/impacts associated with the preferred option in section 6. An ES management plan (ESMP) will include cost estimates for the measures to be taken (including compliance), which will be reflected in the project budget. It describes the executing agency's technical and financial capacity to undertake specific ES management measures (i.e. implement the ESMP) on a sustained basis over time and, where needed, provides for capacity-building activities (which should also be reflected in the budget). An ESMP also outlines a process or schedule for public consultations and includes a grievance mechanism for resolving disputes, should they arise.

B. Elements of an environmental and social analysis

An ES analysis (ESA) is prepared for a project proposal rated category B—that is, a project with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures. An ESA report will include sections 1, 2, 3, 4, 5 and 7 for category A proposals but in an abbreviated way, reflecting the site-specific and limited nature of potential risks/impacts. The content and level of detail in an ESA will vary widely depending on the scale, scope and nature of the project proposal.



This publication provides a systematic procedure for integrating environmental and social safeguards into the ITTO project-cycle process. It builds on and consolidates guidance contained in various ITTO guidelines and manuals and draws on best practices in other global bodies in mitigating and preventing harm to the environment.



International Tropical Timber Organization

International Organizations Center, 5th Floor, Pacifico-Yokohama, 1-1-1, Minato-Mirai, Nishi-ku, Yokohama, 220-0012, Japan
Tel 81-45-223-1110 Fax 81-45-223-1111 Email itto@itto.int Web www.itto.int

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