

## DRAFT TERMS OF REFERENCE FOR THE CONSULTATIVE PROCESS ON OPTIONS FOR A COMMON APPROACH TO ENVIRONMENTAL AND SOCIAL SAFEGUARDS IN THE UN SYSTEM

### A. *Background*

1. The 15th senior officials meeting of the Environment Management Group (EMG), held in New York 23 September 2009<sup>1</sup>, recognized the potential benefits of a common approach to social and environmental safeguards<sup>2</sup> for policies and operations in the United Nations system. The senior officials consequently requested the Chair of the EMG to prepare a report on options for the development of a possible United Nations system-wide approach to environmental and social safeguards based on a review of existing policies and guidelines. The report is to be prepared in consultation with Group members, the United Nations Development Group and the High-level Committee on Management and to be completed by September 2010 for consideration by the Environment Management Group.

2. The decision follows considerations by members of the EMG in its technical meeting that took place in Nairobi in February 2009 of the need for fiduciary standards<sup>3</sup> within the United Nations. Members felt that, while individual agencies had developed or were working on environmental and social safeguards for their policies and operations, the United Nations system would benefit from a common approach drawing on, among other sources, existing standards and guidelines such as those of the World Bank.

3. The consultative process will explore options and recommend possible actions for the development and implementation of social and environmental safeguards in the UN. Issues identified in the lead up to the consultative process which may need further exploration include:

- a) The risks, costs and benefits of an ad-hoc approach versus a common approach to environmental and social safeguards in the UN.
- b) The scope, in terms of coverage and application, of common environmental and social safeguards in the UN: - Which cross-cutting environmental and social aspects should the safeguards address? How should the safeguards be mainstreamed and applied at policy, program and project level? What are the incentives for implementing safeguards at operational level?
- c) The options for environmental and social safeguards in the UN: - Should the safeguards be based on principles, criteria and indicators which define fiduciary standards with room for agencies to apply higher standards when appropriate, and/or a database with best practice tools and thematic checklists and guidelines? Should there be a reporting requirement?

### B. *Objectives*

4. The objectives of the consultative process are:

- a) To undertake a gap-analysis based on a macro-level review of risks of environmental and social harm from UN policies and operations, a macro-level review of existing UN safeguard policies, guidelines and practices, and an assessment of the need and scope for common approach to safeguards in the UN;
- b) To identify options for developing common approach to policies for and implementation of environmental and social safeguards in the UN system, and analysing the feasibility and financial and administrative consequences of these options; and

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<sup>1</sup> See report of the 15<sup>th</sup> Senior officials meeting of the Environment Management Group (EMG/SOM.15/02). Available at [www.unemg.org](http://www.unemg.org).

<sup>2</sup> Tentatively understood as: - *The adoption and integration of precautionary environmental and social principles and considerations into projects and programs. The objective of such safeguards is to prevent and mitigate undue harm to the environment and people at the earliest possible planning stage. Safeguards can appear as a combination of minimum fiduciary standards and best practice guidelines.*

<sup>3</sup> Consist of principles, criteria and indicators that define the issues of concern and the required minimum levels of environmental and social performance.

- c) To recommend a framework for social and environmental safeguards and next steps to the Senior Officials Meeting of the EMG.

**C. *Tentative outline of the consultative process***

5. The consultative process is to be system-wide, open and inclusive, and thus include field operations as well as policy management. The process should be organized as a combination of workshops, written comments and bilateral meetings. The consultation will involve focal points nominated by EMG members. The representatives to the consultation process will prepare and write a report which will provide an overview of existing practice, a macro-level gap-analysis, and possible options for environmental and social safeguards in the UN. The representatives will also prepare and agree on recommended next steps.

6. The consultative process will be undertaken in 2010 and will comprise of the following phases and elements:

**Phase I – The gap-analysis**

**February – May 2010** a) Undertake a desk study which includes:

- i) A macro-level assessment of risks of environmental and social harmful impacts from policies and operations across the UN system.
- ii) A macro-level review of existing environmental and social safeguard policies and practices in the UN system and beyond.
- iii) An assessment of the needs of different parts of the UN system with regard to scope in terms of the coverage and application of environmental and social safeguards and the costs and benefits of a common approach.

**June 2010** b) First consultative workshop in June to:

- i) Review the interim findings of the gap-analysis
- ii) Identify needs and opportunities for environmental and social safeguards in the UN, including the possible extent of fiduciary standards
- iii) Agree on next steps to identify a suitable framework for environmental and social safeguards in the UN.

**Phase II – Identifying options**

**June – August 2010** c) Prepare a gap analysis which defines cross-cutting environmental and social risks and a cost-benefit analysis of ad-hoc versus common environmental and social safeguards in the UN.

d) Prepare an outline of options and challenges for a common approach to environmental and social safeguards in the UN.

**Phase III – Recommendations**

**August 2010** e) Second consultative meeting to agree on gap-analysis and options and recommendations to the 16<sup>th</sup> senior officials meeting of the EMG.

The recommendations could for example propose:

- i) A possible framework for environmental and social safeguards in the UN.
- ii) An incremental development of a common approach to safeguards for instance by piloting safeguards for a prioritized activity.

**September 2010** f) Recommendations presented to the 16<sup>th</sup> senior officials meeting of the EMG.

**D. *Budget and resources***

7. The expenditures for the consultations will be in-kind support from members in the form of travel and expertise contribution to writing and review of documents.

8. The consultations will include a review of existing guidelines and tools. Relevant documents include:

- a) Guidance note for United Nations country teams and implementing partners on mainstreaming environmental sustainability in country analysis and the United Nations Development Assistance Framework (UNDAF), prepared by the "Task Team on Environmental Sustainability and Climate Change" jointly chaired by UNEP and UNDP within the Working Group on Programming Issues in the United Nations Development Group.
- b) World Bank Environmental and Social Safeguards