

ANNEX 5

Terms of reference for a Strategic Environmental Assessment

A Strategic Environmental Assessment (SEA) is a process for evaluating the environmental implications of a proposed policy, plan or programme. The model Terms of Reference (ToR) provided here are intended for SEAs undertaken in connection with the formulation or revision of a sector or national policy/plan or programme (strategic document) and/or of an EU sector support programme/project. It should be adapted as required depending on the specific context (e.g. the formulation of an EU sector support programme/project may or may not coincide with the formulation or updating of a national sector strategic document) and as a result of the (necessary) consultation with the partner government and development partners willing to support the exercise. Most elements of these ToR will also be relevant for an SEA undertaken during the implementation of an existing strategic document. Indeed, while conceived as an *ex ante* assessment, SEA can also be of value if undertaken in connection with existing strategic documents, as long

as there is political will to use SEA findings to inform and guide further implementation or policy-making (e.g. on the occasion of sector reviews or periodic revisions of the strategic documents).

In most cases, the focus of the SEA would be on assessing the government's strategic document to ensure the EU is providing support to the implementation of a policy, plan or programme that ensures appropriate integration of environmental sustainability and climate change, and on informing the identification and/or formulation of the EU support programme/project. Depending on the scope of the EU support, the assessment may cover a whole sector or be limited to some of the components in the strategic document. In any case, the assessment should also cover the environmental implications of the EU's support programme/project.

Explanations or sections to be completed according to individual circumstances are given in *italics*.

ToR for the Strategic Environmental Assessment of *(name of the sector strategic document)* **in** *(name of the country/region)*

1. BACKGROUND

A Strategic Environmental Assessment (SEA) is required for the preparation of *(name of the sector support programme/project)* and/or as support to *(name of the sector strategic document)*.

The major strategic documents to consider are *(list the main documents and their status or stage of preparation.)*

(Mention other relevant background information, such as key stakeholders, legal requirements, existing Country Environmental Profile or similar analysis.)

(Mention any sector programme alternatives that have been agreed between the EU and the partner government for assessment; if no alternatives have been defined, state this as well.)

(Explain the reasons why an SEA is required and which decisions it is expected to influence.)

2. OBJECTIVES

The objectives of this SEA are to identify, describe and assess:

- The likely significant effects on the environment of implementing the *(name of the sector strategic document and/or EU support programme/project)*;
- The most important environmental, natural resource-related and climate change-related constraints bearing on the performance of the sector;
- The opportunities for the *(name of the sector strategic document and/or EU support programme/project)* to contribute to enhancing the state of the environment, building climate resilience of the sector and the population, and promoting low carbon development and the transition to the green economy.

This assessment will then be taken into account in the preparation, review or implementation of the strategy *(delete or change as appropriate)* and in the preparation of the support to be provided by the EU. The SEA will provide decision-makers (in the partner country as well as the EU and other donors) with relevant information to assess the environmental challenges and opportunities (including climate-related ones) with regard to the *(name of the sector strategic document)* and/or the envisaged EU support *(programme/project)*. This information should help ensure that environmental concerns are appropriately integrated in the decision-making and implementation processes.

3. RESULTS

The SEA is composed of two parts: a scoping study and an SEA study. The scoping study will define the key issues that need to be addressed in the SEA study, considering the specific context in which the sector support is being developed and is likely to be implemented. Detailed activities and calendar for the SEA study will be determined on the basis of the conclusions of the scoping study.

The SEA scoping study will provide:

- A description of the sector *(programme/project)* concerned and its alternatives;
- A brief description of the sector's policy, institutional and legal framework, focusing on those related to environment and climate change;

- A brief presentation of the environmental and climate change policies and objectives in the country that are relevant to the sector;
- An identification of key stakeholders and an overview of their interests and concerns with regards to the (*strategic document*);
- An identification of the key interactions between the strategic document and the environment and climate change;
- An indication of the scope of the environmental baseline to be prepared;
- An indication of the main impact identification and evaluation methodologies to be used in the SEA study;
- An indication of the time frames, costs and resources needed to carry out the SEA study (including possible reallocation of time amongst experts).

The SEA study will deliver the following results:

- An environmental assessment of the (*name of the strategic document and/or support programme*), taking into account the environment- and climate change-related risks, constraints and opportunities, and its consistency with partner government's and EU's environmental and climate change policies and objectives;
- Recommendations for the formulation of the support programme/project (including on performance indicators, use of technical assistance and other aid delivery methods) and for the enhancement of the environmental and climate change performance of the sector strategic document.

4. ISSUES TO BE STUDIED

4.1. SCOPING STUDY

4.1.1. Overview of the sector strategic document and its policy, institutional and legal framework

The policy-making and/or planning process for the sector should be described, including alternative options that may be under discussion. If deemed necessary and with adequate justification, additional options should be suggested for consideration in the SEA study. Where a sector strategic document already exists, its main features should be described.

The policy, institutional and legal framework relating to the sector should be described. Particular attention should be paid to institutions and entities responsible for environment and climate change issues relevant to the implementation of the sector strategic document, as well as to the relevant environmental and climate change policy and legislation (including bilateral, regional and international commitments).

National environmental and climate change policy objectives relevant to the sector should be identified.

The links between the policy-making/planning process (i.e. the preparation of the sector strategic document and/or the corresponding EU support programme) and the SEA must be described, i.e. which outputs of the policy-making/planning process should feed into the SEA process and vice-versa. The specific policy-making/planning decisions and processes that should be influenced by the SEA must be identified.

4.1.2. Description of key stakeholders, their interests and concerns

The involvement of stakeholders in the SEA process is a key success factor. Key stakeholders should be identified: key groups and institutions, environmental agencies, climate change related institutions, non-governmental organisations, representatives of the public and others, including those groups potentially affected by the likely environmental impacts of implementing the sector strategic document. Particular attention should be paid to involving typically less represented groups such as women, indigenous peoples and minority groups.

Consultants must review records of any national public consultation process that may have taken place as part of the sector strategic document preparation process, if available. Based on this review and on additional consultations, they should identify key stakeholders' interests, concerns and values with respect to the sector strategic document under consideration and propose a stakeholder engagement strategy⁽¹⁾. The strategy should provide stakeholders an opportunity to influence decisions. If some of the identified stakeholders are not used to being engaged in similar processes, particularly at the strategic level, and if there are no precedents, it might be important to include an "education" component in the stakeholder engagement process.

Due to the large geographical areas that may be covered by the sector strategic document, stakeholder engagement could focus on key stakeholders, especially targeting directly affected and vulnerable groups as well as key stakeholders that may not have been adequately represented in the sector strategic document preparation.

4.1.3. Description of key aspects to be addressed in the SEA

On the basis of the policy, institutional and legal framework analysis, as well as the consultation of stakeholders, the key environmental and climate change aspects that should be addressed in the SEA study should be identified – i.e. the key sector strategy-environment/climate change interactions that need to be given special consideration and emphasis in light of:

- the potential significant impacts on the environment, significant contributions to greenhouse gas emissions (in relation to national emissions), and increased climate change vulnerability associated to the implementation of the strategic document;
- the key environmental, natural resources and climate change aspects that impinge on sector performance and are not adequately addressed by the strategic document;
- key opportunities for the strategic document to make a significant contribution to environmental sustainability, climate resilience, low carbon development and green economy; and
- the potential conflicts between the sector strategic document and environmental and climate change policy objectives (at national or sub-national level).

Depending on expected impacts on society and the scope of other studies, there is also a need to determine the extent to which social impacts should be assessed⁽²⁾, notably from the perspective of livelihoods and poverty reduction.

(A stakeholders' workshop will be organised to validate the key issues identified. The identification of key issues will be amended as necessary taking into account the results from the workshop).

4.1.4. Description of the scope of the environmental baseline to be prepared in the SEA study

⁽¹⁾ The stakeholder engagement strategy should be agreed with the partner government and the EU delegation before being implemented in order to avoid unnecessary conflicts or raising of unreasonable expectations.

⁽²⁾ In this case, impacts on humans should be disaggregated by gender, age or other relevant social criteria.

Also on basis of the information obtained above, the consultants must provide indications on the scope of the environmental baseline required for the SEA study, ensuring that it will be adequate to examine in more detail the key environmental aspects identified above. This will include a proposal on the geographical units that will need to be targeted. All geographical units identified for inclusion in the environmental baseline assessment should be justified.

(The identification of geographical units will be more relevant for more focused programmes, and less so for national-level policies. Thus this section should be amended to reflect the nature of the sector strategic document being assessed).

4.1.5. Recommendations on specific impact identification and evaluation methodologies to be used in the SEA study

Consultants should provide an indication of the impact identification and evaluation methodologies that will be used in the SEA study. Special attention should be given to identifying those environmental interactions that will require quantitative analyses and those for which qualitative analyses should be carried out.

4.1.6. Indication of time frames needed to carry out the SEA study

The consultants must assess the time needed for the completion of the SEA study, based on the results of the scoping study. If at this stage it is considered necessary to extend the initially envisaged time frame for the assignment and/or to integrate other experts with specific skills, this should be proposed for consideration.

(The partner government / the EU could give an indication of the maximum budget allocated to the SEA study).

4.2. SEA STUDY

The SEA study will be based on the results of the scoping phase (following approval of the scoping study report) and include an environmental baseline study, the identification of environmental and climate change constraints and opportunities, the identification and assessment of the potential environmental impacts, an analysis of performance indicators, an appreciation of the institutional capacities to address the environmental and climate change challenges identified, and conclusions and recommendations.

4.2.1. Environmental baseline study

A description and appraisal must be made of the current state of the environment, focusing on those key environmental components identified in the scoping study and necessary to better understand the key issues identified. The trends for, and pressures on, the various environmental components must be identified and a projection made of the state of the environment in the short-, medium- and long-term (as relevant) under the assumption of no implementation of the sector strategic document, taking into account the effects of climate change (to the extent they can be predicted with some reliability). External factors must be taken into account, including the influence of policies and strategic plans from other sectors. If the 'no implementation' scenario is unrealistic, the most probable 'business-as-usual' scenario should be selected. The geographical (or mapping) units to be addressed should be described, if relevant.

4.2.2. Identification and evaluation of environment-related risks, constraints and opportunities

The environmental and climate change factors that can affect (positively or negatively) the relevance, effectiveness, efficiency and sustainability of the sector strategic document, should be identified, described and assessed.

These factors may include the availability of natural resources necessary to achieve the strategy's objectives, as well as the current and projected effects of climate change. This part of the study should consider the environmental issues that can potentially be addressed by the strategic document under assessment. The study should assess if the sector strategic document provides an adequate response to these constraints and opportunities. As relevant, the study should assess whether the sector strategic document, in view of identified vulnerabilities, includes an adequate response in terms of adaptation to climate change – or may, on the contrary, lead to an inadequate response ('maladaptation').

4.2.3. Identification and evaluation of impacts

The potential environmental consequences of implementing the sector strategic document, including the positive or negative contribution to greenhouse gas emissions (if significant relative to national emission levels), must be identified and described for each alternative being studied; their significance should be determined taking into account the characteristics of impacts⁽³⁾, the views and concerns of stakeholders and the sensitivity of the environment. The potential *cumulative* impacts of the envisaged sector activities should be identified, since they may differ from the sum of individual impacts. Those impacts which are significant should be assessed in detail taking into account:

- the views and concerns of stakeholders;
- consistency with international commitments (bilateral and multilateral environmental agreements);
- socio-economic consequences (especially on vulnerable groups and ethnic minorities);
- compliance with environmental and climate change regulations and standards;
- consistency with environmental and climate change objectives and policies; and
- their implications for sustainable development.

As far as climate change mitigation is concerned, different strategies may lead to different outcomes in terms of greenhouse gas emissions or carbon sequestration. If various alternatives are under consideration and involve significant differences in this regard, these differences should be evaluated in the study.

(More information could be provided on how the methodology presented in the scoping study has been used for impact identification and evaluation).

4.2.4. Identification and evaluation of impacts in terms of vulnerability to climate risks

The direct and indirect impacts of implementing the sector strategic document in terms of increased or reduced vulnerability to climate variability and climate change should be considered as relevant (e.g. the construction of new infrastructure in 'climate-sensitive' areas such as coastal zones may lead to population migration to these areas, thus exposing more people to climate risks; on the contrary, sector-wide measures may contribute to increase the population's resilience to climate change).

4.2.5. Analysis of performance indicators

Performance indicators proposed by the sector strategic document (or already envisaged by the EU for its sector support programme/project) should be assessed from an environmental perspective, i.e. with regard to their usefulness to capture the environmental effects (positive or negative) of implementing the sector strategic document and to monitor the environmental and climate-related constraints bearing on it. Based on this analysis, proposals should be made as appropriate for the improvement of the existing performance assessment

⁽³⁾ E.g. duration, probability, magnitude, mitigability, reversibility.

framework. Proposals should also be made for the EU support programme/project performance indicators and monitoring system.

4.2.6. Appraisal of the capacities to address environmental and climate-related challenges

The capacity of regulatory institutions to address the identified environmental and climate-related issues, both in terms of adaptation and mitigation, should be appraised.

(Consultants might be requested to incorporate information on budget allocations and medium-term expenditure framework).

4.2.7. Stakeholder engagement

Stakeholders should be engaged throughout the SEA study according to the stakeholder engagement strategy agreed at the scoping phase.

4.2.8. Conclusions and recommendations

This section will summarise the key environmental issues for the sector involved, including policy and institutional constraints, challenges and main recommendations. Recommendations should be made on how to optimise positive impacts and make best use of environment- natural resource- and climate change related opportunities, as well as on how to mitigate adverse effects, adapt to environmental and climate change constraints and manage risks. They should suggest the selection of an alternative (in cases where more than one alternative is envisaged), potential changes in the design of the sector strategic document, implementation and monitoring modalities, or cooperation actions.

In view of the preparation of a support programme/project, recommendations should be made to support the overall assessment of the sector strategic document as well as for the formulation of the EU support programme/project.

Recommendations to enhance the sector strategic document should be distinguished from those for the formulation of the EU support programme/project. The recommendations for enhancing the sector strategic document should be incorporated in the policy dialogue with the partner government.

Recommendations to the EU for the formulation of its sector support programme/project may outline complementary measures to address specific weaknesses in the environmental and climate change institutional, legal and policy framework. They should also include proposals for indicators.

The limitations of the SEA and its assumptions should be presented. The recommendations should take into account the views presented by stakeholders and explain how these were integrated. In the case of concerns that were not integrated in the final recommendations, the reasons thereof should be given.

5. WORK PLAN

The work plan should include, but not necessarily be limited to, the following activities:

Scoping study

- Fact finding/data collection;
- Review of prior public consultations (if relevant and accessible);

- Identification of stakeholders;
- Engagement of stakeholders;
- Analysis/preparation of recommendations and scoping report;
- Stakeholders' workshop to validate key issues (if agreed with the EU).

SEA study

- Fact finding/data collection;
- Field trips;
- Engagement of stakeholders;
- Identification and detailed analysis of the potential environmental impacts, constraints and opportunities;
- Preparation of recommendations to mitigate negative environmental effects, adapt to constraints, optimise positive effects, exploit opportunities, and generally manage and control environmental and climate-related risks;
- Preparation of draft SEA report;
- Preparation of the final SEA report (integrating comments received).

On the basis of this draft proposal and the time schedule outlined in the ToR, the consultants must provide their detailed work plan.

6. EXPERTISE REQUIRED

The team will consist of (*number*) experts: a Team Leader (Category 1), a sector expert (Category 1) and (*complete as necessary, e.g. a socio-economist if social impacts are to be specifically targeted, or a thematic expert*).

The Team Leader must have, at least, a master's degree in a relevant area, such as environment, climate change or natural resources management with at least 10 years of relevant professional experience. (S)he will have proven experience in the preparation of SEAs, preferably in the context of EU development cooperation. (S)he must have experience as team leader in at least 3 assignments, preferably one of which for an SEA. (S)he must have good knowledge of the EU cycle of operations. Experience in the sector, country and region will be an asset.

The sector expert (*specify sector, or theme*) must have, at least, a master's degree in a relevant area (*specify*) with at least 10 years of relevant professional experience in (*specify subject areas*). (S)he must have proven experience in (*specify country or region*). Participation in strategic environmental assessments and knowledge of the EU cycle of operations will be an asset.

All experts must be fluent in (*English, French, Spanish, Portuguese*) and at least one expert must be fluent in (*specify local language, if relevant*).

(This section is to be adapted and completed based on the required expertise)

For each expert proposed, a *curriculum vitae* must be provided or no more than (*four*) pages, setting out the relevant qualifications and experience.

7. REPORTING

All reports are to be printed double-sided on recycled or certified paper.

The scoping study must be presented in the format given in Appendix 1.

The detailed stakeholder engagement plan must be presented *(two)* weeks after kick-off; *(number)* copies are to be presented to *(names and organisations)* for comments.

The draft scoping report in *(number)* copies is to be presented to *(names and organisations)* for comments by *(date)*⁽⁴⁾. Comments should be expected by *(date)*. The consultants will take account of those comments in preparing the final scoping report. *(Number)* copies of the final scoping report in *(language)* are to be submitted by *(date)*.

The EU will provide feedback on the scoping report no later than *(number)* weeks after its delivery, setting the scope for the SEA study. The SEA study will begin no later than *(number)* weeks after this date.

The SEA study should take into account the format proposed in Appendix 2. The report content and structure must be agreed with the EU.

(Depending on the sector and scope of the sector strategy, it is often convenient to organise the report by key issue, whereas in other cases it may be more convenient to organise it in a more linear fashion).

The draft SEA report in *(number)* copies (double-sided printing and recycled or certified paper) is to be presented to *(names and organisations)* for comments by *(date)*⁽⁵⁾. Within *(number)* weeks, comments will be received from *(list the authorities)*.

The consultants will take account of these comments in preparing the final report. *(Number)* copies of the final report in *(language)* are to be submitted by *(date)*.

8. PRESENTATION OF THE PROPOSAL

The proposal must include an understanding of the Terms of Reference and a description of the general approach to the SEA in accordance with these ToR, highlighting the following: the proposed methodology for the participation of stakeholders; the proposed approaches for the definition of the environmental baseline; and the proposed methodologies for identification and evaluation of impacts/risks/opportunities.

9. INDICATIVE TIME SCHEDULE AND RESOURCE ALLOCATION

(Insert indicative time schedule and resource allocation (in working days) – keeping in mind that at least 2 missions to the country should be organised, considering the time gap between submission of the scoping report and start of the SEA study).

The tenderer should respond to this time schedule and resource allocation and indicate in their proposal how they intend to organise the work for this purpose.

⁽⁴⁾ To be defined depending on the complexity of the SEA, but normally 4 to 6 weeks after inception.

⁽⁵⁾ To be defined depending on the complexity of the SEA, but normally between 2 to 4 months after approval of the scoping report.

10. APPENDICES

Appendix 1. Standard format for the SEA scoping report

Maximum length of the main report (without appendices): 25 pages.

The following text appears on the inside front cover of the report:

This report is financed by the European Union and is presented by the (*name of consultant/consortium*) for (*national institution*) and the European Union. It does not necessarily reflect the opinion of (*national institution*) or the European Union.

Structure of the report:

1. Summary
2. Description of the sector strategic document under consideration
3. Overview of the policy, institutional and legal framework
4. Overview of key stakeholders, their interests and concerns
5. Description of key environmental aspects to be addressed in the SEA study
6. Description of the scope of the environmental baseline to be prepared in the SEA study
7. Recommendations on specific impact identification and evaluation methodologies to be used in the SEA study
8. Proposal of time frames and resources needed for the SEA study
9. Appendices
 - a. Stakeholders' engagement methodology
 - b. List of stakeholders engaged or consulted
 - c. List of documents consulted

Appendix 2. Proposed format for the SEA study report

Maximum length of the main report (without appendices): 100 pages.

The following text appears on the inside front cover of the report:

This report is financed by the European Union and is presented by the (*name of consultant/consortium*) for (*national institution*) and the European Union. It does not necessarily reflect the opinion of (*national institution*) or the European Union.

Structure of the report:

1. Summary

Part I: Background

2. Scope and objectives
3. Background
 - a. Description of the sector strategic document
 - b. Alternatives under consideration
 - c. Environmental policy, legal and planning framework for the SEA
 - d. Key issues identified
4. Approach and methodology
 - a. General approach
 - b. Geographical or environmental mapping units
 - c. Assumptions, uncertainties and risks
5. Environmental and climate change objectives and indicators relevant to the sector
6. General environmental and climate change baseline

Part II: Analysis of key issues

7. Key Issue 1: ...
 - a. Rationale for the selection of the key issue (synthesis)
 - b. Baseline (including institutional, policy and legal framework specific to the key issue)
 - c. Analysis (including, as relevant, a discussion on how the state of the environment and/or climate change affect sector performance, potential significant impacts on the environment associated to sector strategy implementation, significant opportunities for the sector strategy to contribute to environmental sustainability, low carbon development and the green economy – the analysis should take into account aspects such as the appropriateness of the institutional and regulatory framework, institutional capacities, etc.)
 - d. Analysis of alternatives
 - e. Recommendations
8. Key Issue 2: ...
 - a. Rationale for the selection of the key issue (synthesis)
 - b. Baseline (including institutional, policy and legal framework specific to the key issue)
 - c. Analysis (including, as relevant, a discussion on how the state of the environment and/or climate change affect sector performance, potential significant impacts on the environment associated to sector strategy implementation, significant opportunities for the sector strategy to contribute to environmental sustainability, low carbon development and the green economy– the analysis should take into account aspects such as the appropriateness of the institutional and regulatory framework, institutional capacities, etc.)
 - d. Analysis of alternatives
 - e. Recommendations

Part III: Conclusions and recommendations

- 9. General conclusions
- 10. Recommendations for formulation of the EU support programme/project
- 11. Recommendations for enhancement of the sector strategic document

*References**Technical appendices*

- 12. Maps and other illustrative information not incorporated into the main report
- 13. Other technical information, data and analytical results, as required (e.g. flow-charts, matrices)

Other appendices

- 14. Study methodology/work plan (2-4 pages)
- 15. Consultants' itinerary (1-2 pages)
- 16. List of stakeholders consulted with their affiliation and contact details (1-3 pages)
- 17. List of documentation consulted
- 18. Curriculum vitae of the consultants
- 19. Terms of Reference for the SEA