



DCA POLICY:
**ENVIRONMENTAL
& SOCIAL
MANAGEMENT**

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DCA ENVIRONMENTAL & SOCIAL MANAGEMENT POLICY

Acronyms and abbreviations

ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESS	Environmental and Social Safeguards
GCF	Green Climate Fund
GHG	Greenhouse gas
MEAL	Monitoring, evaluation, accountability, and learning

1. Definitions

- 1.1 **Environmental and Social Impact Assessment** is defined as a process or tool based on an integrated assessment where the scale and type of potential biophysical and social, including, where appropriate transboundary risks and impacts of projects are predicted, acknowledged, and evaluated. It also involves evaluating alternatives and designing appropriate mitigation, management, and monitoring measures to manage the predicted potential impacts.
- 1.2 **Environmental and Social Management Framework** describes the roles and responsibilities and the processes to manage environmental and social risks and impacts including, where appropriate transboundary risks and impacts, including screening, preparation, implementation, and monitoring of projects
- 1.3 **Environmental and Social Management Plan** refers to a document that contains a list and description of measures that have been identified for avoiding adverse environmental and social impacts, including, where appropriate transboundary risks and impacts, or minimizing them to acceptable levels, or to mitigate and compensate them and usually the main output of the ESIA process.
- 1.4 **Environmental and Social Safeguards** refers to a set of standards that specifies the desired outcomes and the specific requirements to achieve these outcomes through means that are appropriate to the nature and scale of the activity and commensurate with the level of environmental and social risks and/or impacts.

2. Introduction

- 2.1 DCA is committed to support women, men and children who are economically, socially, culturally, and politically marginalized and excluded in their struggle for a dignified life and to help those whose lives are threatened by providing emergency relief in disaster-stricken areas and long-term development assistance in poor regions to create a more equitable and sustainable world.
- 2.2 DCA recognizes in its risk management policy, that among others, there is sometimes a risk that program interventions may cause harm in the external environment, including potential damage to economies, exacerbating conflicts and social divisions and other negative environmental and social impacts.

- 2.3 Recognizing the value of safeguards for risk management as well as DCA's commitment to the "Do no harm" principle, DCA has developed an Environmental and Social Management Framework (ESMF), which includes this policy and a set of environmental and social safeguard (ESS) standards. The ESMF is integrated into DCA's program and project cycle management (PPM) system and aligned with DCA's risk management policy and tools. Furthermore, this ESMF is informed by DCA's climate, gender equality, human rights, and partnerships' policies.

3. Purpose

- 3.1 The purpose of the Environmental and Social Management Framework is to ensure that project-related adverse environmental and social risks and impacts are avoided or, when unavoidable, minimized and appropriately mitigated and/or compensated, and that the rights of those that could potentially be affected are protected.
- 3.2 A key principle of the ESMF is to follow the mitigation hierarchy, i.e., avoid, minimize, mitigate, or compensate any harm to the environment and to men and women by incorporating environmental and social concerns as an intrinsic part throughout the project cycle. Any identified adverse environmental and social impacts and risks will be addressed and tracked throughout all stages of the project cycle.
- 3.3 Another core component of the ESMF is the adoption of the precautionary approach. As established in the Rio Declaration (1992), in order to protect the environment, where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation. When there is reasonable suspicion of harm, DCA will apply the precautionary approach, which aligns with DCA's commitment to the UN Global Compact and to the Do No Harm Principle.
- 3.4 Furthermore, DCA will provide external communication channels for adequate engagement with affected communities to ensure that relevant information about environmental and social risks and impacts is disclosed and disseminated and will ensure that grievances from affected communities and other stakeholders are managed appropriately through DCA complaints handling system.
- 3.5 The objectives of the ESMF are to: (i) avoid adverse impacts to people and the environment and stimulate positive impacts; (iii) minimize, mitigate, and manage adverse impacts where avoidance is not possible; (iv) strengthen DCA and partner capacities for managing social and environmental risks; (v) protect the rights of those that could be potentially affected, and (vi) ensure effective stakeholder engagement.

4. Scope

- 4.1 DCA will require adherence to the ESMF in a phased manner. In a first phase, DCA will require adherence to the ESMF for all projects that are implemented through climate funding and/or finance, i.e., for all projects funded by local, national, or transnational donors drawn from public, private and alternative sources of funding and financing, that seeks to support mitigation and adaptation actions that will address climate change. In a second phase, DCA will require adherence to the ESMF for all DCA financed development projects and finally in a third phase, DCA will require adherence for all DCA financed projects including humanitarian interventions. The rationale behind the phased implementation is to ensure that the necessary training, capacity building and tools to adequately implement this policy in all the different contexts in which DCA operates are in place.
- 4.2 Where DCA is jointly funding a project with bilateral or multilateral funding partners, DCA will agree that environmental, social and climate requirements, process, rules, and policy of such partners will be applied if these are equivalent to DCA's or exceed those of DCA and will enable the project to achieve objectives

consistent with the ESMF. For projects involving associated activities¹, the environment and social assessment will also identify and assess, to the extent appropriate, the potential environmental and social risks and impacts of these activities.

- 4.3 When the partners' requirements differ from the levels and measures presented in DCA's ESMF, the partner organization will be required to achieve or implement whichever is more stringent. For projects or programs involving multiple sub-projects which are identified, designed, and implemented during the project, the partner(s) will carry out appropriate environmental and social assessment of the sub-projects and include measures to strengthen its capacity to conduct environmental and social due diligence.

5. Roles and responsibilities

- 5.1 DCA has the overall responsibility for ensuring that environmental and social issues are adequately addressed within the project cycle and will be ultimately responsible for the review and supervision of the implementation of safeguards.
- 5.2 DCA on its own or together with its project partner(s) is responsible for designing and executing projects that are consistent with the requirements as described in this ESMF. This includes monitoring and evaluation of progress of the agreed actions that address safeguard issues during project implementation (See Table 1 for an overview of DCA and project partner(s) ESMF-responsibilities during the different phases of the project cycle).
- 5.3 DCA will monitor implementation of this ESMF. It will review and approve key documents such as Terms of Reference (TOR), project-specific safeguard strategies, and action plans developed during project preparation. During project preparation, DCA HQ will be able to request, from a Country Office (CO) or a project partner, all information it requires concerning project effects on Indigenous Peoples and local communities and require further assessment or consultations, as well as work on safeguard plans until the ESMF policies have been satisfactorily addressed. DCA will also review and approve any action plans developed during project implementation.
- 5.4 During the project strategy design, the safeguard screening of project activities (Appendix I) will identify potential safeguard issues and describe project preparation procedures to further assess potential impacts and design mitigation measures, as needed. DCA's review and approval of the plans developed, assesses the adequacy of the project's preparation process and implementation measures vis-à-vis the safeguard issues and requirements.

Through this review, DCA HQ may find the safeguard process and measures satisfactory or may find the need for further discussion with the CO and or project partner(s) to achieve the objectives of this ESMF, including revising safeguard measures and documents as appropriate.

- 5.5 During project execution, safeguard compliance will be integrated into the project's monitoring system along with performance toward project objectives. In cases where an ESMP, other project-level plan, or other mitigation measures are being implemented, the monitoring system will include monitoring on the progress of such implementation in parallel with or as part of reporting for other project elements. The intent of this process is to ensure that the environmental and social safeguard issues, including stakeholder engagement, are continually monitored and adverse effects mitigated throughout project

¹ Associated activities mean those that are not funded as part of the project but are: (i) directly and significantly related to the project; (ii) carried out, or planned to be carried out, contemporaneously with the project; and (iii) necessary for the project to be viable and would not have been conducted if the project did not exist.

implementation. For this purpose, DCA may undertake monitoring visits for category C projects and will undertake compulsory monitoring visits for categories A and B projects.

- 5.6 DCA will review and approve any safeguard-related action plans required prior to or developed during implementation of projects. Third party (e.g., independent expert, local community, other) monitoring will be used, where appropriate, to monitor project implementation and/or assess if environmental and social risk and impact mitigation objectives are being or have been achieved.

6. Disclosure of information

- 6.1 Project-specific plans (including ESMPs) are to be disclosed to all rightsholders and stakeholders including affected communities and Civil Society Organizations (CSOs). Before plans can be disclosed, DCA must review and approve the plans. Partners must also disclose to affected parties the final plans prior to implementation and any action plans prepared during project implementation. In all cases, disclosure should occur in a manner which is timely, meaningful, and understandable to the affected people when seeking their consent.
- 6.2 Disclosure of relevant project information helps project affected people and other stakeholders understand the risks, impacts and opportunities of the project. DCA and project partners will provide project affected people and other stakeholders with access to relevant information on: (i) the purpose, nature, and scale of the project; (ii) the duration of proposed project activities; (iii) any risks to and potential impacts on such communities and relevant mitigation measures; (iv) the envisaged stakeholder engagement process; and (v) the grievance mechanism. Depending on the scale of the project and significance of the risks and impacts, relevant document(s) to be disclosed as part of stakeholder engagement could range from full Environmental and Social Assessments and Action Plans with easy-to-understand summaries of key issues and commitments. Disclosure also includes ongoing reporting to project-affected people and other relevant stakeholders.
- 6.3 The key responsibilities of DCA and its climate project partners are described in further detail in the table below. Exact procedures depend on the specific project activities and the local context, for instance, the number of safeguard policies that are triggered and the level of impacts.

Table 1 Roles and responsibilities through DCA's Project Management Cycle (PPM)

Relevant project cycle phases	DCA Responsibilities regarding the ESMF	Partners Responsibilities regarding the ESMF	DCA relevant policies & tools
Phase 1: Project development			
Step 1.1: Partner capacity assessment	DCA's Head of Program (HoP) and relevant Program Officers (POs) at the CO assess the capacity of project partner(s) regarding the ESMF and if necessary, propose a plan to strengthen the partner's capacities. PAL and GPRM advisors at DCA Headquarters provide guidance and assistance when necessary.	Provides feedback regarding the support that DCA can provide to improve and strengthen the partner's capacities regarding the ESMF.	Partnerships Policy Partner assessment tool

Relevant project cycle phases	DCA Responsibilities regarding the ESMF	Partners Responsibilities regarding the ESMF	DCA relevant policies & tools
Step 1.2: Identification of project scenario	DCA CO staff identifies climate projects as projects in the relevant scenario and includes in the action plan the application of the ESMF/safeguards processes. This includes adequately budgeting and assigning staff as necessary. The action plan is shared with relevant HQ units including GPRM and PAL.	-	Identification of project scenario Action Plan
Step 1.3 Project Strategy Design	Risk assessment: DCA CO staff together with project partner(s) conduct a risk assessment to identify factors which may negatively impact the success of the project or the external environment. DCA's risk model identifies contextual, programmatic, and institutional risks and helps assess the likelihood and impact of the risks. As part of the programmatic risks DCA CO staff together with project partner(s) fill out the Safeguard Screening Form to determine safeguards triggered, including whether a full or limited Environmental and Social Impact Assessment (ESIA) is required. If a full or limited ESIA is required, DCA CO staff together with project partner(s) will contract independent experts to carry out the ESIA following the methodology suggested in Appendix I. Based on results from the ESIA, DCA CO staff together with partner(s) prepare mitigation plans (ESMPs) following Appendix III.		Risk management policy Risk management template Methodology for conducting ESIAs (Appendix I) Safeguard screening form (Appendix II) Terms of Reference for ESMP (Appendix III)
	DCA HQ (PAL unit) provides training, guidance, and assistance to COs, and oversees the application of the ESMF/safeguards processes.	Provides accurate, reliable, and timely information as required.	
	Stakeholder analysis: As part of the stakeholder analysis, DCA CO staff together with project partner(s) identify all stakeholders including potentially affected communities and Civil Society Organizations and develop an engagement strategy to ensure that relevant information about environmental and social risks and impacts is disclosed and disseminated, and that grievances from affected		Stakeholder analysis template Stakeholder analysis guidance Complaints handling system

Relevant project cycle phases	DCA Responsibilities regarding the ESMF	Partners Responsibilities regarding the ESMF	DCA relevant policies & tools
	<p>communities and other stakeholders are managed appropriately through DCA complaints handling system.</p> <p>Based on results from risk assessment, DCA CO staff together with project partner(s) implement all required consultations with project stakeholders, including informing affected communities and explaining the project to them; incorporating feedback from and changes agreed with them; and seeking and documenting their free, prior, and informed consent.</p>		
Step 1.4 Project proposal and budget	Based on the results from the risk assessment developed in Step 1.3 DCA CO staff together with project partner(s) will ensure that the project proposal is designed, planned, and prepared according to the requirements set in this policy. This includes the responsibility and requirement to adequately budget to meet the requirements.		<p>DCA budgeting guideline</p> <p>Budget overview template</p>
Step 1.5 QA, approval, and donor submission	DCA HQ (PAL, GPRM) will review and approve the plans developed and assess the adequacy of the implementation measures vis-à-vis the safeguard issues and requirements.	--	<p>Project approval template</p> <p>Proposal assessment template</p>
Phase 2: Project preparation			
Step 2.3 Project kick-off workshop	DCA Project Manager invites relevant stakeholders to the Kick-Off workshop and drafts an agenda that includes an agenda point on ESS to ensure a common understanding of the environmental and social risks of the project, the mitigation plan, and the stakeholder engagement plan.		
Step 2.4 Implementation plans	DCA CO staff together with project partner(s) and with support from HQ staff (PAL, GPRM and SQM), will ensure that the project's monitoring, evaluation, accountability, and learning (MEAL) plan includes monitoring progress made towards the implementation of the stakeholder engagement plan and the ESMP.		<p>DCA Meal policy</p> <p>DCA MEAL plan</p> <p>Stakeholder analysis template</p>
	DCA staff should also make sure that project- launch workshops include at least one session to ensure a common understanding of the environmental and social risks of the project, the mitigation plan and the stakeholder engagement plan among partners, beneficiary communities and other	DCA partners participate actively in the project-launch workshop(s) and confirm full understanding of environmental and social risks of the project, the mitigation plan, and the stakeholder engagement plan.	

Relevant project cycle phases	DCA Responsibilities regarding the ESMF	Partners Responsibilities regarding the ESMF	DCA relevant policies & tools
	relevant stakeholders at country level.		
Phase 3: Project implementation			
Step 3.3 Monitoring	DCA CO staff review and monitor the implementation of project-level ESMPs, and stakeholder engagement plans through regular monitoring visits as appropriate to the scale, nature, and risks of the project. DCA CO staff identifies the need for and facilitates third-party monitoring as appropriate. DCA discloses project monitoring reports that include safeguard performance, and any corrective actions.	Executes project-level plans, ensuring compliance with all safeguards outlined, and undertakes corrective measures in cases where plans have not been satisfactorily executed or where negative impacts have arisen. Informs project-affected, local authorities, other stakeholders and DCA on project progress and on any unintended events affecting those communities in accordance with project-level plan requirements.	DCA Meal Policy DCA Meal Plan
Step 3.5 Dealing with project changes	DCA Program officer will consult HQ (GPRM) immediately to agree on the appropriate action and to communicate to the donor in cases where significant changes are required.	Incorporates feedback from project-affected parties and documents the process to seek their FPIC to any changes in the project-level plans.	Justification and approval of project changes template
Steps 4.1-4.3 Evaluation, final reporting, and closure.	DCA and its partners will report on ESS of the completed project. This will include an ex-ante (expected risks during project design) and ex-post (actual risks encountered and managed during project implementation) comparison. DCA HQ (PAL) will review this report and verify that all agreed ESS and risk management measures have been properly implemented and will be disclosed as agreed during the project design phase (stakeholder analysis).		Stakeholder analysis template Stakeholder analysis guidance

7. Performance Standards

- 7.1 DCA's ESMF includes the eight environmental and social performance standards from the International Finance Corporation (IFC).² The first standard for Environmental and Social Impact Assessment (ESIA) applies to all climate funding proposals prepared, received, processed, and implemented by DCA. The rest of the standards (2 to 8) establish objectives and requirements to avoid and minimize and, where residual

²Link to IFC Performance Standards version 2012:

https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards

impacts remain, compensate and/or offset the risks and impacts to affected communities and the environment.

ESS 1: Environmental and Social Impact Assessment (ESIA) consists of principles, strategies, and procedures to implement the ESMS as further detailed in appendix I.

Performance standards 2-8 shall include the following environmental and social safeguards:

ESS 2: Labour and working conditions.

- a) Fair treatment, non-discrimination, equal opportunity
- b) Good worker – management relationship
- c) Comply with national employment and labour laws
- d) Protect workers, especially those in vulnerable categories
- e) Promote safety and health
- f) Avoid use of forced labour or child labour

In regards of labour and working conditions DCA follows its own child safeguarding and staff welfare policies.

ESS 3: Resource Efficiency and Pollution Prevention

- a) Avoid, minimize, or reduce project-related pollution
- b) Promote more sustainable use of resources, including energy and water
- c) Reduce project related GHG emissions

DCA also adheres to the Core Humanitarian Standard which requires to consider the impact on the environment when using local and natural resources and to have in place policies and processes to ensure that resources are used in an environmentally responsible way.

ESS 4: Community Health, Safety and Security

- a) Anticipate and avoid adverse impacts on the health and safety of the affected community
- b) Safeguard personnel and property in accordance with relevant human rights principles

ESS 5: Land acquisition and involuntary settlement³

- a) Avoid/minimize adverse social and economic impacts from land acquisition or restrictions on land use
- b) Improve or restore livelihoods and standards of living
- c) Avoid and/or minimize displacement
- d) Improve living conditions among displaced persons

DCA's interventions do not involve land acquisition and/or involuntary resettlement, therefore this standard is not applicable.

³ Involuntary resettlement refers both to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood) because of project-related land acquisition and/or restrictions on land use. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement.

ESS 6: Biodiversity conservation and sustainable management of living natural resources

- a) Protection and conservation of biodiversity
- b) Maintenance of benefits from ecosystem services
- c) Promotion of sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities

ESS 7: Indigenous people

- a) Foster full respect for the human rights, dignity, aspirations, culture, and natural resource-based livelihoods of Indigenous Peoples.
- b) Anticipate and avoid adverse impacts of projects on communities of Indigenous Peoples, or when avoidance is not possible, to minimize and/or compensate for such impacts.
- c) Promote sustainable development benefits and opportunities for Indigenous Peoples in a culturally appropriate manner.
- d) Establish and maintain an ongoing relationship based on Informed Consultation and Participation with the Indigenous Peoples affected by a project.
- e) Ensure the Free, Prior, and Informed Consent of the Affected Communities of Indigenous Peoples in relevant circumstances.
- f) Respect and preserve the culture, knowledge, and practices of Indigenous Peoples.

ESS 8: Cultural heritage

- a) Protection and preservation of cultural heritage
- b) Promotion of equitable sharing of cultural heritage benefits

Furthermore, DCA adheres to laws implementing host country obligations under international law.

8. References, Related Resources or Appendices

- DCA Climate Policy
- Appendix I. Methodology for conducting Environmental and Social Impact Assessments
- Appendix II. Safeguard screening form
- Appendix III. Terms of Reference for Environmental and Social Management Plans (ESMP)

9. Policy Information

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