# OPERATIONAL GUIDE

# INTEGRATION OF ENVIRONMENTAL AND CLIMATE CHANGE ISSUES

## TABLE OF ACRONYMS

| | |
|---|---|
| **CBD** | UN Rio Framework Convention on Biological Diversity |
| **CC** | Climate Change |
| **CTA** | Chief Technical Advisor |
| **DAC** | Development Assistance Committee |
| **EIA** | Environmental Impact Assessment |
| **Env/CC** | Environment and Climate Change |
| **ESIA** | Environmental and Social Impact Assessment |
| **ESMP** | Environmental and Social Management Plan |
| **EU** | European Union |
| **E&S** | Environmental and Social |
| **GCF** | Green Climate Fund |
| **GHG** | Greenhouse Gases |
| **ICP** | Indicative Cooperation Programme |
| **QM** | Quality Manual |
| **MECSD** | Ministry of the Environment, Climate and Sustainable Development |
| **MFEA** | Ministry of Foreign and European Affairs |
| **NAP** | National Adaptation Plans |
| **NDC** | Nationally Determined Contribution |
| **NGO** | Non-Governmental Organisation |
| **OECD** | Organisation for Economic Co-operation and Development |
| **ROF** | Country/Regional Office |
| **SDG** | Sustainable Development Goals |
| **SMART** | Specific, Measurable, Achievable, Relevant, Time-Bound |
| **SO** | Specific Objective |
| **TD** | Tender Dossier |
| **TFD** | Technical and Financial Document |
| **TFP** | Technical and Financial Partner |
| **ToC** | Theory of Change |
| **ToR** | Terms of Reference |
| **UNFCCC** | United Nations Framework Convention on Climate Change |

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## EXECUTIVE SUMMARY

The Environment and Climate Change (Env/CC) strategy of Luxembourg's Cooperation (2021-2030) defines the orientations and priorities of cooperation in the area of environmental protection and the fight against Climate Change (CC). It aims to strengthen the integration of environmental and climate issues in all its interventions, according to a twofold approach, namely (i) the systematic horizontal integration in all activities and components of Luxembourg's Cooperation, and (ii) the financing of interventions dedicated to combining protection against climate risks, sustainable management and preservation of ecosystems and the improvement of living conditions.

This guide describes how LuxDev ensures the operational integration of Env/CC issues in its operations. Referring to known procedures (e.g., the "Formulation process - FOR_5") for the elaboration of a project or programme, this guide constitutes a vade mecum for LuxDev's staff (including its partners and contractors) to accompany the four stages of identification, formulation, implementation, and monitoring and evaluation of the activities entrusted to the Agency.

Our commitment in the identification phase

Although the identification process is the responsibility of the Ministry of Foreign and European Affairs (MFEA), the consideration of Env/CC at a very early stage of the project/programme cycle is crucial. As soon as new programmes are designed, the agency endeavours to fulfil its mandate as a reliable advisor to the Luxembourg government, promote its know-how and leverage its roots in partner countries in order translate strategy into concrete actions. This guide will help to identify and establish the necessary elements at the end of the identification period to provide the MFEA with the elements needed to issue a clear formulation mandate. What information do we need?

- to have identified, through our monitoring work, the key issues facing the beneficiary country from an environmental and climate standpoint;
- to have conducted substantive debates/exchanges with our embassies on the orientations taken with the partner country and to act as a reliable advisor on the environmental situation in the country and to propose, if necessary, sustainable alternatives and greener solutions (to be further developed in the formulation phase) as well as a dedicated budget;
- any project (above all in agriculture, forestry, water and sanitation and/or rural development) should by default contribute to a better environment (and therefore have a marker established by the Development Assistance Committee (DAC) 1 "environmental assistance" as well as a marker for "adaptation to CC" (to be found in the formulation mandate));
- have an understanding of the activities of other Technical and Financial Partners (TFP) in the country in the field of Env/CC. Understand the projects and ambitions of european actors in the partner country;
- to have carried out a "stakeholder mapping" with simple statistics (who, what, duration, amount and funding mechanism, target regions, beneficiaries, institutional partners, main strengths and weaknesses);
- to be informed of (if existing) the national multi-annual programme of priorities in the field of CC and environmental protection (projects/programmes);
- have analysed the guidance given to the project/programme based on the approaches and considerations outlined above;
- to have involved the Env/CC expert from the headquarters[1] in all these initial reflections and analyses.

Our commitment during the pre-formulation phase (understood as preparation for the formulation phase)

The pre-formulation period should be able to complement/confirm the guidance received in the identification phase. The objective is to prepare the environmental/climate needs of the formulation properly. The following points are not exhaustive and could vary according to the context:

- produce a guidance note for the formulation team on the environmental/climate findings of the identification;
- critically review the formulation mandate[2] to ensure that it is consistent with the analysis carried out in the identification phase;
- where appropriate, argue for an additional environmental study in the formulation process;

1 For more information on the roles and responsibilities of the sector and thematic experts at LuxDev HQ and the modalities of their mobilisation, please refer to the procedure "Description of the sector and thematic Expertise and backstopping process - EXP_1" in the Quality Manual (QM).

2 Referring to the relative stages of the "Formulation process - FOR_5" and the "Formulation process form - FOR_5.1".

- confirm the DAC marking;
- review the lessons learned from previous projects in the same sector, especially the recommendations made on the integration of cross-cutting themes (environment/climate, gender, and governance);
- if relevant, anticipate the necessary human and financial resources (e.g., include an Env/CC expert in the formulation) in the formulation Terms of Reference (ToR).

Our commitment during formulation

Our expectations at the end of the formulation phase are as follows:

- have an environmental screening to inform and monitor the environmental and climate risks of our activities in our projects and programmes. The use of the "Screening form - FOR_13" remains mandatory internally, except if duly justified;
- in the case of DAC marking, a clear objective and indicators for climate and/or environmental actions have been defined and should complement other development results to ensure resilience, sustainability, and inclusiveness. This objective does not have to be independent from other development results but may well be cross-cutting to all our interventions in the country;
- have a dedicated budget for the selected actions;
- have a concluding note to file on the environment/climate component (guidance note from the previous stage duly completed) for the operational team;
- to have provided the means to invest in awareness-raising and continuous training of our partners and teams on Env/CC issues, in relation to the selected actions.

Our commitment to change management

The logical framework or Theory of Change (ToC) should be characterised by:

- a coherent intervention logic (logical framework or ToC) integrating environmental and climate issues that strengthens accountability for environmental protection, CC mitigation and adaptation results and improves project/programme performance and quality;
- take into account the guidelines when the project is designed from a ToC (or logical framework);
- use tool sheet n°4 with examples of result and impact indicators for some key sectors of Luxembourg Cooperation;
- have identified objectively verifiable indicators.

Our commitment during implementation

In the implementation phase, the focus is on projects and programmes where at least one of the relevant DAC markers has a value of 1 or more. The following points of attention include, but are not limited to:

- consider that the implementation of mainstreaming actions or specific actions implies the availability of a budget dedicated to the chosen actions (to be considered when formulating);
- verify that the application of guidelines and tools adapted to local conditions enhances the ownership, effectiveness and efficiency of mainstreaming actions;
- provide the means to invest in awareness-raising and continuous training of our partners (national and non-public) and our teams on Env/CC issues, in relation to the selected actions;
- apply the recommendations of the guide regarding the diagnosis of the capacities of implementing partners;
- identify avenues/guidelines for targeted efforts to strengthen the capacity of key implementing partners;
- influence technical choices through the application and instrumentalisation of the procurement procedure, leaving project managers room for "green" procurement
- ensure the collection and/or analysis and use of relevant, comparable and quality data to inform evidence-based decision-making.

Our commitment during evaluation and experience capitalisation

Our expectations at the end of the project can be summarised as follows:

- integrate Env/CC (and gender) related evaluation questions in the ToR of mid-term and final evaluations;
- have requested tool sheet n°6 with guiding questions for integrating Env/CC into assessments;
- identify (if relevant) a topic for capitalisation on Env/CC and develop a capitalisation note;
- collect promising practices from projects/programmes and facilitate dissemination to the field and/or Headquarters (HQ).

For questions or suggestions for improvement, please contact the referent of this guide, the environment and climate change expert of LuxDev.

# 1. WHY ENVIRONMENTAL AND CLIMATE CHANGE MAINSTREAMING?

Mainstreaming is the process of integrating a particular concern into development actions. Actions to mitigate the effects of CC, natural resource depletion and biodiversity loss must be integrated into current and future Development Cooperation, otherwise the achievements of past decades may be jeopardised. Regions with fragile socio-political systems and economic dependence on natural resources are particularly vulnerable. These are most of the areas in which Luxembourg's Cooperation activities take place.

For LuxDev, this guide represents the translation of its will to strengthen the integration of Env/CC in the Development Cooperation activities of the Government of Luxembourg, to align with Luxembourg's national orientations and European and international commitments in this field.

## 1.1. International commitments

At the international level, LuxDev aims in particular to align with (i) the 2030 Agenda and its 17 Sustainable Development Goals (SDG), (ii) the objectives of the Paris agreement, a universal agreement concluded in 2015 under the United Nations Framework Convention on Climate Change (UNFCCC) (iii) international conventions related to the environment, such as the other two UN Rio Framework Conventions on Biological Diversity (CBD) and combating desertification, but also the sendai framework for action on disaster risk reduction 2015-2030. As all the goals include environmental considerations, the SDG emphasise the need to radically accelerate the integration of environmental and CC issues into all development policies and programmes. Similarly, the commitment of developed countries under the Paris agreement to provide USD 100 billion per year from 2020 onwards to climate-related activities in developing countries calls for all of LuxDev's activities to be embedded in low-carbon, sustainable and resilient development dynamics. Finally, the new post-2020 global framework for biodiversity, which is still being negotiated at the time of writing, aims to raise the level of ambition and commitment of the CBD member states, with a view to halting the loss of biodiversity by 2030 and undertaking the necessary actions for its restoration by 2050.

## 1.2. Commitments at European level

At the European level, Luxembourg adheres to the Green Deal for Europe adopted at the end of 2019, which aims to make the European Union (EU) economy sustainable and climate neutral by 2050, while ensuring a fair and inclusive transition as well as the conservation of biodiversity and the reduction of pollution. The EU climate law also makes carbon neutrality a legally binding target.

## 1.3. Commitments at national level (Luxembourg)

The Env/CC strategy of Luxembourg's Cooperation (2021-2030) defines the orientations and priorities[3] of the cooperation in the field of environmental protection and the fight against CC. It is in line with the priorities of its general strategy "Road to 2030" and takes into account the other fundamental cross-cutting themes of cooperation, namely respect for human rights and gender equality, which are closely linked to the challenges posed by the environmental and climate crises.

In this respect, Luxembourg's Cooperation aims to include all of its activities and/or support in the dynamics of sustainable, low-carbon development by 2030, resilient to environmental impacts and those linked to CC[4].

In order to achieve this ambitious objective, Luxembourg's Cooperation intends to strengthen the integration of environmental and climate issues into all of its interventions, using a two-pronged approach, namely (i) the systematic horizontal mainstreaming of environmental and climate issues into all of the activities and components of Luxembourg's Cooperation, and (ii) the financing of interventions dedicated to combining protection against climate risks, the sustainable management and preservation of ecosystems and the improvement of living conditions.

[3] The Env/CC strategy 2021 is broken down into the following four thematic priority areas: (i) access to basic services that are sustainable and resilient to climate risks; (ii) identification of and support for the development of environmental and green sectors, which are sources of employment and create value; (iii) sustainable management of natural resources; (iv) support for inclusive sectoral and territorial governance, taking into account the partner countries' national commitments on the major environmental and climate issues.

[4] Luxembourg's Cooperation programme is thus specifically committed to (i) increase the environmental and/or climate co-benefits of its portfolio of interventions in its priority sectors, so that 85% of its projects have at least one of the Rio DAC/OECD markers and/or environment rated 1, (ii) finance a greater number of projects dedicated to promoting the resilience of human and natural systems to climate risks and/or environmental degradation, so that 35% of its projects have at least one of the Rio DAC/OECD markers rated 2

Finally, LuxDev's "Vision 2030" is part of this general strategy of Luxembourg's Cooperation and defines the principle of environmental sustainability as one of the cross-cutting priorities for the implementation of its interventions. This reference guide on the integration of Env/CC themes thus aims to strengthen the capacity to operationalise dedicated projects or projects with significant environment and climate objectives, and to mobilise funding in relation to these themes, notably from the Luxembourg Ministry of the Environment, Climate and Sustainable Development (MECSD), the Green Climate Fund (GCF) to which the agency is accredited, or other green funding mechanisms.

### 1.4. National commitments of Luxembourg's partner countries

As signatories to the Paris climate agreement, Luxembourg's Cooperation partner countries have made national commitments in terms of mitigation and adaptation to CC, which are set out in their Nationally Determined Contribution (NDC). Luxembourg intends to support its partner countries - and countries of intervention in general - in the operationalisation of their commitments through the maintenance of a permanent political dialogue on the consideration of climate issues, support for the definition and implementation of global and sectoral climate policies at the national and local levels, and capacity building of national and local institutions in charge of these policies and strategies.

## *2.* PURPOSE OF THE GUIDE

This operational guide is intended to serve as a reference manual to support LuxDev staff and partners in the horizontal integration of the environment and CC at the different stages of the cooperation project and programme cycle. It thus aims to facilitate the achievement of the objectives set out in the Env/CC strategy of the Luxembourg Cooperation and LuxDev's Vision 2030, through the concrete definition of the entry points, actions and procedures to be carried out and the tools to be used throughout the project and programme cycle.

## 3. THE PRINCIPLES FOR THE INTEGRATION OF THE ENVIRONMENT AND OF CLIMATE CHANGE INTO INTERVENTIONS

The transversal integration of Env/CC in the activities implemented by LuxDev will be aligned with the principles of aid effectiveness, in line with the Paris declaration, and will be guided by the principles underlying the implementation of the Env/CC strategy of the Luxembourg Cooperation.

### 3.1. The principle of ownership

Developing countries take ownership of their development policies and strategies and ensure the coordination of action in support of development. Luxembourg's Cooperation will support and promote the appropriation of environmental and climate issues by all stakeholders at different levels in its countries of intervention, by respecting their policies and helping them to strengthen their capacity to implement them.

### 3.2. The principle of alignment

Donors base all their support on the national development strategies, institutions and procedures of partner countries. Luxembourg Cooperation's interventions will thus be based on the needs and priorities of partner countries, identified in national and regional development strategies and other relevant policies, regulations and commitments in the field of Env/CC (e.g., National Adaptation Plans (NAP) and NDC).

### 3.3. The principle of harmonisation

Donors are working to improve harmonisation, collective effectiveness and manageability, especially for countries with weak administrative capacity, such as fragile states. This includes establishing common arrangements in partner countries for planning, financing and implementing development programmes, including environmental and climate action.

### 3.4. The principle of results-based management

Both donors and partner countries manage resources and improve decision-making for results. Luxembourg's Cooperation will fully support efforts by its partner and wider intervention countries to put in place performance assessment frameworks to measure progress in the implementation of key components of national development strategies, including on environmental and climate dimensions.

### 3.5. The principle of mutual accountability

Donors and developing countries hold each other accountable for development results.

### 3.6. The "do no harm" principle

Development cooperation interventions and investments should not cause any negative, even unintended, impact on the environment and climate. To ensure this, it is essential to systematically *screen* the potential Environmental and Social (E&S) risks and impacts of the project/programme to be implemented and to take them into account in the design of the intervention, in accordance with the environmental laws and regulations of the partner countries or, failing that, with international good practice in this area. It is also important to apply a conflict-sensitive approach in the planning and implementation of projects and programmes (considering existing access and resource use rights; possible conflicting or incompatible interests) to avoid potential conflicts.

### 3.7. The "leave no one behind" principle

This includes ensuring the full participation of all stakeholders in projects and programmes, including those most affected. Marginalised populations, indigenous peoples, women and girls are more vulnerable to natural resource degradation and CC impacts. Women accumulate gaps and deficiencies, as well as reproductive roles focused on the household, which reinforce or maintain their precariousness and make them vulnerable. While CC is not the source of all ills, it can be a multiplier effect and become an aggravating factor in environmental and socio-economic inequalities and risks.

In order to strengthen the capacities of the most vulnerable populations to cope with shocks, with a view to climate justice and respect for human rights, LuxDev will thus focus on (i) the deployment of participatory and inclusive processes, with a view to ownership by the beneficiary populations, and paying particular attention to the participation of women in all their diversity, and (ii) the participatory and inclusive management of natural resources, in order to ensure equitable distribution and prevent conflicts of use.

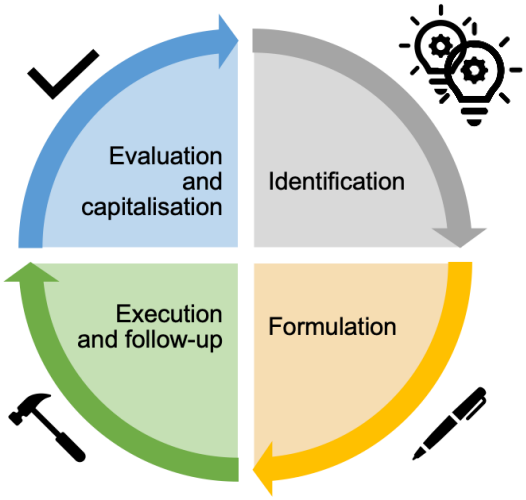
The aim is for all stakeholders to be able to participate and express their interests in planning, budgeting and decision-making processes and to hold local/national authorities accountable. Women and vulnerable groups often lack the capacity and confidence to make their voices heard or are hampered by social, economic or political barriers. Supporting the empowerment of these groups is therefore of crucial importance to LuxDev.

### 3.8. The principle of "maximising positive effects"

The aim is to measure the positive contribution of Luxembourg's Cooperation interventions to improving the state of the environment and the climate. LuxDev will thus aim to promote the potential climate and environmental co-benefits of the projects and programmes it implements, when relevant and necessary and according to the mandate received, by carrying out a systematic analysis of the issues and opportunities related to the Env/CC in the sector and/or geographical area concerned.

# 4. INSTRUMENTS FOR INTEGRATING ENVIRONMENT AND CLIMATE CHANGE INTO THE PROJECT CYCLE

Mainstreaming of Env/CC issues should be an integral part of project and programme management and be considered at all stages of the cycle, from identification to evaluation (see chart below), rather than being undertaken in isolation. Beyond this, Luxembourg's development Cooperation should systematically seek to support its partner countries' efforts to incorporate environmental and climate considerations into development policies, plans and programmes.




The following table brings together all the relevant actions and tools for integrating Env/CC into the different phases of the project and programme cycle. These actions and tools are then detailed in the following four sub-sections which focus respectively on supporting the identification process through sectoral analyses (5.2), integrating Env/CC into the formulation process (6), implementation (7), and monitoring and evaluation (7.4). The different approaches (projects/programmes) and implementation modalities (LuxDev/national) are also considered.

| Project cycle stages | Main entry points | Actions to be taken | Available tool sheets | Targeting and implementation responsibilities |
|---|---|---|---|---|
| Identification | Political dialogue | • putting Env/CC on the agenda of the political dialogue with national authorities (partnership commissions);<br>• involve public authorities and key stakeholders. | | • embassies;<br>• MFEA country desk. |
| | Sector analysis | • inform and support the pre-formulation process;<br>• identify policies, national strategies and key stakeholders related to this theme;<br>• produce a country thematic/sector note for Env/CC issues (at the level of the Indicative Cooperation Programme - ICP). | ToR Toolkit for developing an Env/CC country profile (i.e., a country thematic/sector note for Env/CC issues). | • LuxDev Country/Regional Office (ROF);<br>• expert Env/CC support from LuxDev HQ if needed. |
| | Formulation mandate | • identify Env/CC issues and opportunities at the macro (institutional) level for informed targeting;<br>• to guide the formulation and DAC marking on the basis of analyses. | | • embassies;<br>• MFEA country desk. |

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|---|---|---|---|---|
| **Formulation** | Env/CC analyses | Specific analysis(s) of Env/CC issues and opportunities at different levels (specific sector, geographical area of intervention). | ToR for specific analysis(s) to be integrated in the identification or formulation. | • MFEA country desk;<br>• formulation team;<br>• formulation committee. |
| | Screening of E&S impacts and climate risks | Examine the potential E&S impacts of the project/programme and the vulnerability of the project/programme to climate and natural hazards. | Environmental, social and climate risk screening tool ("Environmental, Social and Climate Risk Screening » Tool - FOR13). | • formulation team;<br>• expert Env/CC support from LuxDev HQ if needed. |
| | Integration of Env/CC in project formulation (Technical Financial Document - TFD) | • integrate Env/CC into the logical framework/ToC;<br>• formulate Specific, Measurable, Achievable, Relevant, Time-Bound (SMART) impact, effect and outcome indicators incorporating Env/CC;<br>• confirm the DAC / Organisation for Economic Co-operation and Development (OECD) Rio marker rating. | • Env/CC Indicators Toolkit;<br>• DAC/OECD marking guide annex. | • formulation team;<br>• quality control country Desk;<br>• expert monitoring support from LuxDev HQ;<br>• formulation committee. |

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| **Implementation** | Continuing education and awareness-raising | Provide gender sensitive Env/CC training tailored to the needs of staff and partners. | Section 5 of this guide: available resources and data, and online training. | • local partner institutes and organisations;<br>• support from the LuxDev Env/CC expert if needed. |
| | Diagnosis of implementing partners' capacities | • analyse the capacities of national partners and the Env/CC management arrangements and systems in place;<br>• define support and/or capacity building activities. | Toolkit on criteria to be considered for the diagnosis of capacities on Env/CC aspects. | • technical assistant / Chief Technical Advisor (CTA);<br>• support from the LuxDev Env/CC expert or mobilisation of external experts. |
| | Purchasing and acquisition procedures | Goods, services, works and equipment that are low in energy, materials, emissions and resources, and low in operating and maintenance costs. | • guide “General Environmental Recommendations - ACQ_45”;<br>• guide “Acquisition of Sustainable Constructions - ACQ_49”. | • technical assistant / CTA;<br>• ROF. |
| | Monitoring and reporting system | • update the monitoring and evaluation matrix in real time (at least twice a year);<br>• monitor the implementation of E&S risk management measures (from the Environmental and Social Management Plan - ESMP), where applicable;<br>• prepare the results-oriented progress report with a section on Env/CC themes. | | • technical assistant / CTA ;<br>• Env/CC LuxDev expert support or mobilisation of external experts. |
| | | Drafting accountability reports on these issues to various institutions. | | Expert support Env/CC LuxDev |
| | Ad hoc missions | Carrying out advisory missions and issuing recommendations. | | Expert Env/CC LuxDev |

| | | | | |
|---|---|---|---|---|
| **Monitoring and evaluation** | Mid-term and final evaluations | Integrate Env/CC and gender-related evaluation questions in the ToR of interim and final evaluations. | ToR for the integration of Env/CC and gender in evaluations (mid-term, final). | • evaluation department;<br>• technical assistant/CTA;<br>• expert support Env/CC LuxDev. |
| | Capitalisation | • carry out a cross-sectional analysis of the reports and summarise the key elements for the field and/or general public;<br>• identify a topic for capitalisation on Env/CC and develop a capitalisation note;<br>• collect promising practices from projects/programmes and facilitate dissemination. | Specific guidance for capitalisation. | • expert Env/CC LuxDev ;<br>• knowledge management department. |

## 5. IDENTIFICATION

The identification process is the responsibility of the MFEA, which ensures that the environment and CC are taken into account upstream of the project/programme cycle through its regular exchanges with the authorities of the partner country and, above all, its political dialogue.

| Entry points | | Key actions and tools | How to implement |
|---|---|---|---|
| Political dialogue | | • putting the Env/CC on the agenda of the political dialogue with the national authorities;<br>• involve public authorities and key stakeholders;<br>• ensure its follow-up at the partnership commissions;<br>• support policy dialogue through persuasion and awareness-raising. | • embassies;<br>• country desk;<br>• support by LuxDev ROF if needed. |
| Sector watch and Env/CC analysis | | • identify issues and opportunities related to Env/CC at different levels;<br>• identify national policies, strategies and key stakeholders related to Env/CC;<br>• inform and support the pre-formulation process. | • LuxDev ROF;<br>• expert Env/CC support from LuxDev HQ if needed. |
| | | • country thematic/sectoral note template for Env/CC issues. | |
| Formulation mandate | | • identify Env/CC issues and opportunities at the macro (institutional) level for strategic and informed targeting;<br>• provide the necessary elements to guide the formulation and marking of DAC based on relevant analyses. | • embassies;<br>• country desk. |

### 5.1. Political dialogue

Led by the MFEA, the identification phase involves the active mobilisation of national authorities and stakeholders in the countries of intervention. It is therefore essential to put ENV/CC on the agenda of the political dialogue with governments (in particular during the ICP preparation workshops with partner countries), and to involve the various actors involved in this issue, including civil society, in order to encourage a mainstreaming process at national level. This dialogue can also be conducted in conjunction with other TFP present in the countries and involved in this issue. The analysis of the country's environmental and climate situation (see point 6.2) should inform and feed this dialogue, which will be more effective if it is based on data, studies and examples of previous experiences. Where budget support is envisaged, a high-level dialogue will generally be appropriate at both sector and country level.

The representatives of the LuxDev offices may, depending on the case, contribute to the policy dialogue led by the embassies through advocacy and awareness-raising actions at different levels in parallel to the actions led by the embassies and the country desks of the Ministry. This dialogue plays a central role in promoting the mainstreaming of Env/CC in cooperation activities, to ensure that the Env/CC approach, tools and expected results are validated and appropriated by national counterparts, and to facilitate the subsequent mainstreaming process in the subsequent phases of the project and programme cycle.

### 5.2. Sector Watch and Env/CC analysis

In the identification phase, the agency acts as a reliable advisor to the Luxembourg government and can support the process with information from a regular sector watch. In this way, LuxDev makes the most of its know-how and its presence in the country to identify, through our monitoring work, the key issues of the beneficiary country from an environmental and climate point of view. These sectoral analyses can be used as input for a debate/exchange with our embassies on the directions taken with the partner country in terms of the environment and, if necessary, propose sustainable alternatives and greener solutions (to be further developed during the formulation phase).

The sector watch leads to an understanding of the activities of the other TFP in the country in the field of the Env/CC and makes it possible to identify the projects and ambitions of European actors in the partner country. This analysis of the legal and regulatory framework informs the agency and the MFEA on existing sectoral policies and strategies, their level of application and provides explanations regarding the gaps between policy objectives and reality. The aim is to identify Env/CC issues and opportunities at different levels to inform and support the identification process.

### 5.3. Formulation mandate

The MFEA consolidates information from policy dialogue and relevant sectoral analyses and drafts the formulation mandate which identifies the challenges and opportunities related to the Env/CC at the macro (institutional) level. The formulation mandate, addressed to LuxDev, should provide all the necessary elements to guide the formulation as well as the DAC marking to allow for a strategic and informed targeting. The mandate closes the identification phase and opens the formulation phase of the TFD.

## 6. FORMULATION

Formulation[5] is the key step to support our bilateral cooperation partners in translating, from an operational point of view, the general strategic orientations of the ICP (or similar) or requests and the specific orientations of the formulation mandates into a TFD. The formulation process is complex and multi-dimensional and requires interdisciplinary analyses of stakeholders, context, risks, as well as the proposal of actions, indicators and means. At the end of the process, the TFD should indicate the results to be achieved as well as the operational elements to implement the envisaged support such as modalities, instruments and budget.

[5] See “Formulation Process - FOR_5” of the QM.

| Entry points | | Key actions and tools | How to implement |
|---|---|---|---|
| Analysis of the mandate | | • analysis of the formulation mandate received. | • LuxDev office representative, LuxDev HQ expertise support. |
| Env/CC analyses | | • identify issues and opportunities related to Env/CC at different levels;<br>• identify national policies, strategies and key stakeholders related to Env/CC. | • country desk;<br>• formulation team. |
| | | • ToR for specific analysis to be integrated in the formulation. | |
| Screening for E&S impacts and climate risks | | • examine the potential E&S impacts of the project/programme;<br>• examine the vulnerability of the project/programme to climatic and natural hazards. | • formulation team;<br>• project/programme approaches;<br>• expert support Env/CC LuxDev if needed. |
| | | • the environmental, social and climate risk screening tool (LuxDev - FOR13). | |
| Integration of Env/CC in project formulation (TFD) | | • integrate Env/CC in the ToR of the formulation as well as the logical framework/ToC;<br>• formulate SMART impact, effect and outcome indicators incorporating Env/CC;<br>• establish the scoring of the Rio DAC/OECD markers. | • formulation team;<br>• quality control country desk;<br>• formulation committee. |
| | | • Env/CC Indicators Toolkit;<br>• guide to DAC/OECD marking. | |

### 6.1. Analysis of the mandate

Carry out a critical analysis of the formulation mandate to ensure that its application is consistent with the environmental and climate analyses carried out in the identification phase.

If the mandate has a strong focus on environment/climate (including agriculture, forestry, local development, circular and green economy, renewable energies, etc.) or if its mainstreaming is requested, the above steps should be followed.

If the mandate provides a recommendation on the desired OECD/DAC marking, this step will have to confirm the DAC marking and ensure its adequate integration in step 6.4 below. If the mandate is not specific and leaves the marking open for formulation to propose a relevant marking, then LuxDev, if deemed relevant, must provide in the ToR for formulation, the necessary human and financial resources (e.g., integrate an Env/CC expert in the formulation).

Review the lessons learned from previous projects in the same sector and especially the recommendations made on the integration of cross-cutting themes (environment/climate, gender, and governance). If necessary, recommend an additional environmental study during formulation.

### 6.2. Specific environment / climate change analyses

The analysis of the environmental and climate context in which future projects/programmes are to be carried out ensures that the challenges, issues and opportunities arising from the various environmental and climate crises (the degradation of natural resources, the loss of biodiversity and global warming) are taken into account in a coherent and systematic manner in LuxDev's activities wherever reasonable and necessary, and that the agency's interventions are part of the sustainable, resilient and low-carbon development paths of the beneficiary partner countries.

This Env/CC analysis thus applies to all interventions implemented by LuxDev at the formulation stage (projects and programmes, including those not directly related to Env/CC issues), in order to identify on the one hand (i) the possible current and future negative impacts of the degradation of natural resources and CC on the sector and/or geographical area of intervention of the project/programme, and on the other hand (ii) the possible levers at the level of the project/programme to generate positive co-benefits (or contributions) for the preservation of natural resources, biodiversity and the climate. The Env/CC analysis thus aims to assess for each intervention the potential for mitigation (activities contributing to the reduction of Greenhouse Gas (GHG) emissions and/or carbon storage), adaptation (activities contributing to increasing the resilience of beneficiary populations in the face of climate variability and change) and biodiversity conservation (activities contributing to acting on the direct or indirect factors of biodiversity loss).

This analysis can be applied at different scales and varies according to the mandate received (see 6.1), both at the level of an ICP as a whole, which at the identification stage makes it possible to define guidelines and orientations regarding opportunities for integrating the Env/CC into the priority sectors of intervention of Luxembourg Cooperation; and at the level of a sector of intervention of a particular ICP or of a geographical area of intervention of a particular project (project approach) at the formulation stage.

The detailed content of the Env/CC analysis to be integrated in the project/programme formulation study is described in the tool sheet n°1 of this guide. It includes an assessment of the issues, risks and opportunities of the project/programme in relation to the Env/CC, the analysis of national, local and/or sectoral policies and strategies in relation to the Env/CC (to ensure alignment with the NDC in particular), the identification of the main stakeholders and their capacities on these issues, as well as recommendations on the opportunities for integrating the Env/CC into the project/programme TFD.

This analysis should be combined and aligned with the gender analysis of the project/programme (cf. LuxDev's operational guide to gender mainstreaming) to take these issues into account and prevent potential exacerbation of gender inequalities related to natural resource degradation and CC impacts (differentiated vulnerabilities between women and men according to their role, status, access to and control over resources). It can also help to identify climate and biodiversity-related opportunities to reduce gender inequalities (e.g., through the development of biodiversity-based value chains that contribute to women's economic empowerment).

### *6.2.1. Approach/procedure*

The level of detail and depth of the analysis may vary according to the needs and instructions given by the MFEA during the identification phase (see formulation mandate) and will be defined according to the availability and quality of existing studies. It is therefore necessary to find out from the start of a ICP, programme or project that Env/CC analyses exist in a general (country) and/or specific (sector or area of intervention) way, and to use them in the design of new projects/programmes or for the achievement of expected results.

The Env/CC analysis mission takes place either before or at the same time as the formulation mission. It should be based, as far as possible, on existing analyses and data collected from the stakeholders involved in these issues but may involve the collection of additional data in the field (particularly in the case of the project approach and the implementation of a participatory methodology). The Env/CC expert works closely with the national partner institutions and the formulation team. He/she participates in all coordination meetings (briefing, debriefing, visit to the partner ministry, etc.). His/her report is submitted to the mission leader and the LuxDev ROF, which will assess the quality of the report on the basis of the criteria mentioned in tool sheet n°2.

The LuxDev ROF may also organise a debriefing meeting with the Env/CC expert and the mission leader to discuss the recommendations set out in the report. The ROF will have to ensure that the results of the Env/CC expert's report have been used to feed the formulation of the project/programme and that this theme is effectively and transversally integrated in the TFD and the following phases (see section 3.1 or 3.3.1).

Example of **the thematic guidelines for mainstreaming Env/CC**, which LuxDev has developed based on the **ICP V for Laos**. The document identifies in a first contextual part the observed and projected evolutions of climate parameters in Laos, as well as the expected impacts of CC on the main socio-economic sectors of the country. It then describes the national policies and priorities in relation to Env/CC issues, but also the strategies of regional organisations and other international donors and funds present in the country. Finally, it defines guidelines and orientations to ensure that Env/CC is considered in the priority sectors of intervention of the ICP through the identification of specific entry points and activities, as well as implementation modalities at the different phases of the project and programme cycle (tools and procedures; human, technical and financial resources).

Associated tools:

- tool sheet n°1 - ToR for an Env/CC analysis (issues, risks and opportunities) - project/programme formulation;
- tool sheet n°2 - Criteria for assessing the quality of an Env/CC analysis.

### 6.3. Screening of environmental and social impacts and climate risks

Any development operation carries potential risks of negative impacts, particularly of an environmental and social nature. Conversely, project/programme activities can be negatively affected by climatic and natural hazards, which can undermine development assistance efforts and the sustainability of the expected results of interventions.

With this in mind, LuxDev intends to include its interventions in a continuous and systematic E&S assessment process that will enable it to (i) assess the potential E&S impacts of its interventions, (ii) propose appropriate measures to avoid negative impacts, particularly on gender inequalities, or when they are unavoidable, to reduce or compensate for them, (iii) monitor the implementation of its interventions during the execution phase of the interventions and evaluate the effectiveness of the proposed measures afterwards (ex-post), (iv) improve the design, execution and monitoring of the interventions (in line with the “do no harm” principle).

The systematic E&S evaluation of interventions thus aims to ensure their environmental and social sustainability, to contribute to the integration of the E&S aspects of interventions in the decision-making process by all stakeholders, to support the beneficiary countries, partners of Luxembourg's cooperation, in the implementation of their environmental and social regulations and to engage them in a process of progress and improvement of their performance in this area.

LuxDev’s E&S policy is aligned with the World Bank Group’s environmental and social performance standards and norms[6], to harmonise with the main international donors, including the GCF, as well as the standards applied by a majority of TFP.

#### *6.3.1. Approach/procedure*

The screening of potential E&S impacts is systematically carried out for all projects/programmes as early as possible in the formulation stage, unless deemed irrelevant in the mandate received. It is to be carried out by the project formulation team using LuxDev’s dedicated tool sheet “Environmental, Social and Climate Risk Screening Tool- FOR13”, with the possible support of the Env/CC expert at LuxDev’s HQ. The national environmental and social regulations in force in the beneficiary country apply to all activities (project and programme approaches combined), while ensuring that they cover all the E&S safeguards considered in LuxDev’s policy.

In addition to the screening of potential E&S impacts, the dedicated tool-sheet includes a climate risk screening that identifies the climate and natural hazards to which LuxDev's interventions are exposed as well as adequate adaptation measures to limit the negative impact of variability and CC on project/programme activities.

[6] The WB’s performance standards are internationally used benchmarks for identifying and managing environmental and social risks. The eight PoS cover the following topics: 1. E&S risks and impacts; 2. Labour and working conditions; 3. Resource efficiency and pollution prevention; 4. Community health, safety and security; 5. Land acquisition and involuntary resettlement; 6. Biodiversity conservation and sustainable natural resource management; 7. Indigenous peoples; 8. Cultural heritage.

The screening procedure thus allows a project/programme to be categorised both according to the level of E&S risks and impacts and according to its degree of exposure and vulnerability to climate and natural risks. The results of this classification define the needs for additional analyses to be carried out at the start-up/launch of the project/programme for E&S and climate risk management. Indeed, if identified potential negative E&S impacts cannot be sufficiently taken into account during project/programme formulation, an Environmental and Social Impact Assessment (ESIA) will be required. Similarly, if during the climate risk screening *it* was found that the project activities are exposed to natural hazards and climate variability and change and are not sufficiently resilient to adapt to them, an in-depth climate risk assessment is required during the project/programme inception phase.

Thus, the recommendations resulting from the E&S impact *screening* are of three types:

- category A project: project with significant potential adverse E&S risks and/or impacts that are diverse, irreversible or unprecedented. An ESIA is carried out at the start of the project/programme;
- category B project: project with limited E&S risks and/or negative impacts, few in number, generally site-specific, largely reversible and easily addressed by corrective measures. The identified E&S aspects are addressed in the formulation study;
- category C project: project with minimal or negligible risks and/or negative E&S impacts. No further assessment is required.

Similarly, the climate risk screening leads to the classification of the project/programme in one of the following three categories:

- category A project: project with high exposure to climatic and natural risks. An in-depth climate risk assessment is carried out (possibly integrated with the ESIA if such an assessment is also required);
- category B project: project exposed to climatic and natural hazards. The assessment of the vulnerability of the project to these risks is integrated and addressed in the formulation study;
- category C project: project with low exposure to climatic and natural risks. No further assessment is required.

The conclusions of the environmental, social and climate screening (last page of tool sheet "Environmental, Social and Climate Risk Screening Tool - FOR_13") are signed and annexed to the TFD and presented to the formulation committee. In case in-depth studies (ESIA and climate risk assessment) are deemed necessary after this screening, the risks and mitigation measures identified, in particular within an ESMP, will have to be closely monitored during the project implementation phase by the implementation team.

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| "Environmental, Social and Climate Risk Screening Tool" - FOR_13 |
| Tool sheet n°3 - ToR for an ESIA |

### 6.4. Integration of the environment /climate change in the technical and financial document

The results and recommendations of the Env/CC analysis must be used to feed the formulation, be integrated in an effective and transversal way in the TFD and be reflected in the intervention logic, notably at the level of the logical framework and/or the ToC of the project/programme, and in the indicators for monitoring the results, effects and impacts The level of consideration of Env/CC issues in the project/programme activities also helps to justify the values/scores attributed to the DAC/OECD Rio markers at the end of the formulation phase.

The ROF verifies whether the recommendations of the Env/CC analysis are well integrated in the TFD (based on the elements described below) and whether the values attributed to the DAC marking are relevant and justified with regard to the activities envisaged by the project/programme in relation to the different Rio themes (mitigation, adaptation, biodiversity and desertification). If not, a justification is attached to the TFD. The Env/CC expert at LuxDev's HQ follows the process and provides support if necessary.

### *6.4.1. The integration of the environment /climate change into the logical framework / theory of change*

An intervention logic (logical framework or ToC) integrating Env/CC issues strengthens accountability for environmental protection, mitigation and adaptation results and improves project/programme performance and quality.

A ToC acts as a compass and sets out ideas on how change towards the programme or project goal will occur. The process for designing the ToC should be participatory and based on information from the sector analysis and the most relevant Enc/CC reports. The objective is to identify the long-term changes that the programme aims to achieve and define the results and strategies that will be used to achieve these changes. The ToC should be reviewed regularly and adjusted based on continuous monitoring and evaluation.

Where the project/programme is designed from a ToC, Env/CC integration can be reflected in the formulation of the different levels and pathways of change and the assumptions that underpin them. It is appropriate to propose and monitor changes in behaviour, organisations and systems that contribute to environmental sustainability. These changes may include: energy management, mobility and transport, waste reduction, consumption, recycling, social behaviour. This integration should be reflected in support for strategies and actions carried out by national actors, who are responsible for integrating Env/CC into the public policies supported.

To develop an environmentally and CC sensitive ToC, ask yourself the following questions:

- what environmentally transformative changes or outcomes do you want to achieve? What does positive change look like for communities vulnerable to climate change and dependent on natural resources, economic actors creating green jobs, governments and state services setting the framework for sustainable development? What overall long-term impact do you want to see? What are its different elements? At what different levels/areas of change will these changes occur?
- who will you work with to achieve this change? What alliances, collaborations or relationships will you build to advance these processes of social and environmental change? How can the ROF use its brokering role to ensure that grassroots farmers' organisations, environmental advocates, and research and education lead and design this work? How will you engage these key people and institutions?
- how will you achieve this change? What are the processes of social, environmental and political change that will contribute to achieving these transformative changes in our attitude towards the environment and climate, and in what order will these changes occur? Build a causal pathway by working on the most strategic interventions and processes of social and/or environmental change that will bring about the expected results;
- identify your assumptions: what are your assumptions about how and why the proposed actions will lead to these outcomes, and about the links between the outcomes?
- how will you measure progress and learn from your interventions? Are your assumptions still valid? Do you need to modify or adapt your strategy?

The Env/CC analysis should provide recommendations on the potential integration of the Rio themes into the Logframe. This integration may be visible at the level of:

- **the overall objective**, as for example here with regard to adaptation: “Contribute in a sustainable, equitable and effective way to poverty reduction and adaptation to environmental and CC in the socio-economic development of lagoon and coastal communes in three districts of Thua Thien Hue province” (VIE/033 project, local development project adapted to CC);
- Specific objectives (SO) such as:
  - “reducing poverty rates and loss and damage in areas most vulnerable to climate and environmental risks” (VIE/033 project),
  - “ensure rational management of natural resources and the environment, taking into account climate change” (SO n°5 of the MLI/021 project, rural development and food security programme);
  - “contribute to ensuring the availability and sustainable management of water and sanitation for all users in rural and semi-urban areas” (SO of project NIG/026, water and sanitation sector support programme);

- **results**, such as :
  - “improved protection, availability, resilience and use of resources” (VIE/033 output n°2),
  - “the agricultural sectors and the area supported are better adapted to climate change” (result n°3 of the MLI/021 project),
  - “by 2030, implement integrated management and wise use of water resources at all levels while reducing pollution and protecting water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes” (NIG/026 outcome n°3).

These causal links are based on assumptions, which fit into the logical framework. Assumptions refer to preconditions that are necessary for the success (of the outcome, of the objective) and that are not under the control of the project/programme. They are formulated through positive conditions, such as “the post-2020 global biodiversity framework is adopted by the conference of the parties to the CBD”. This condition would allow for example to work with governments to update their national biodiversity strategies and action plans. Assumptions are distinct from risks, the latter having a potentially negative impact on the project. Although assumptions should be taken into account, they are beyond the control of the project/programme, such as the slow and complex adoption of a multilateral agreement or national laws, to continue with the example mentioned above. It would also be relevant to include in the logical framework the risks that have been identified on the basis of an Env/CC analysis and to define corresponding mitigation measures.

### *6.4.2. Impact and effect indicators related to the environment/climate change*

The Env/CC analysis should also make recommendations for indicators to be included in the project/programme monitoring and evaluation matrix to ensure the measurement of the project/programme’s environmental and climate performance. Each overall objective, specific objective and result is accompanied by indicators, formulated in a specific, measurable, achievable, relevant, time-bound (SMART) and objectively verifiable way, which together form a chain of results that are part of the project's own intervention logic.

The Rio marker scores of the project/programme (cf. DAC marking below) and the formulation of the objectives and results will guide the choice of indicators of Env/CC sensitive impacts and effects. Indeed, it is difficult to conceive, for example, that a significant objective for the conservation of biodiversity would not be accompanied by any indicator related to this theme.

All Env/CC sensitive outcome and impact indicators have a baseline value and intermediate and final targets, integrated in the project/programme monitoring and evaluation matrix and performance monitoring framework, in order to measure in an objectively verifiable way and at regular intervals during the implementation of the project/programme the progress made and the benefits achieved in this area.

In a context of national execution (programme approach), the monitoring system and indicators of the counterpart are often considered. Nevertheless, the relevance of the indicator to the measurement of the desired result should be questioned. In case of doubt, specific support to the counterpart to improve its data collection system and to implement SMART indicators should be considered. Indeed, the risk is to find oneself at the time of the evaluation with indicators that cannot be filled out in practice, and therefore results that cannot be measured.

To support the formulation team in defining SMART indicators, tool sheet n°4 gives examples of outcome and impact indicators for some key sectors of Luxembourg Cooperation. These indicators can be mobilised according to the Rio scores attributed to the project/programme.

| Tool sheet n°4 - Impact and effect indicators in relation to Env/CC |
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### *6.4.3. Rio markers and environmental aid*[7]

In the absence of clear instructions in the formulation mandate and/or terms of reference, the formulation mission leader proposes a score of 0, 1 or 2 for the Rio DAC/OECD markers for the project/programme at the end of the formulation mission. The score of the marker is defined according to the ambitions that have been defined, the instructions of the MFEA during the identification phase and the results and recommendations of the Env/CC analysis, effectively integrated in the TFD. The proposed and duly justified scores of the Rio markers are reviewed during the formulation committee and validated by the MFEA teams during the appraisal/approval of the project/programme. Once assigned and endorsed, these scores cannot be changed during the implementation of projects and programmes.

[7] See process “Application rules for CAD/OECD marking - FOR_36” of the QM

Indeed, DAC members are asked to indicate whether the development assistance projects/programmes funded have objectives oriented towards one or more of the[8] themes of the Rio environmental conventions[9] through a three-value scoring system (see table below). The DAC thus identifies five environmental markers, which include the global marker of "environmental aid" and the four Rio markers of (i) CC mitigation, (ii) climate change adaptation, (iii) biodiversity conservation, (iv) combating desertification.

| Marker | Definition |
|---|---|
| **Not goal-oriented (Value 0)** | A score of "0" means that the activity has been reviewed but does not address the objective (e.g., climate change mitigation, adaptation, biodiversity conservation, combating desertification) in a meaningful way. Note that for activities that have not been assessed, the marker field should be left blank. This avoids confusion between activities that do not target the objective (score = "0") and activities for which the response is not known (score = "nil"). This important distinction has implications for statistical presentations of Rio marker data. |
| **Significant objective (Value 1)** | An activity can be described as significant when the objective is explicitly stated, but is not the fundamental driver or motivation of the activity. Instead, the activity has other main objectives but has been formulated or adjusted to help address relevant climate and environmental concerns. |
| **Main objective (Value 2)** | An activity can be considered principal when the objective is explicitly stated as fundamental to the design or motivation of the activity. The promotion of the objective is therefore mentioned in the documentation of the activity as one of the main reasons for undertaking it. |

To justify a marker as a significant or primary objective, the following elements should be combined in the project documentation:

- context and justification of the intervention: the environmental and/or climate issue is mentioned as a relevant issue for the intervention in the contextual information (usually the context analysis section of the TFD);
- objectives: an explicit intention to address the theme in question is expressed, preferably at the level of the overall objective, specific objective(s) or expected results;
- activities: the project or programme includes activities that clearly address the issues identified in relation to the theme. The existence of indicators relevant to the theme in the logical framework also helps to justify the qualification of important or main objective.

The minimum criteria required to justify the score attributed to each of the Rio markers are defined more precisely in the "Application rules for CAD/OECD marking - FOR_36" (on the QM). This guide also provides examples of qualifying activities according to the priority sectors of intervention of the Luxembourg Cooperation.

| Guide "Application rules for CAD/OECD marking - FOR_36" |
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[8] A single project/programme can indeed have multiple objectives and qualify for several Rio markers.
[9] At: the UNFCCC; the CBD; the United Nations Convention to Combat Desertification (UNCCD).

# 7. EXECUTION AND FOLLOW-UP

| Entry points | | Key actions and tools | How to implement |
|---|---|---|---|
| Continuing education and awareness-raising | | • provide gender sensitive Env/CC training tailored to the needs of staff and partners. | • local institutes and organisations;<br>• support from LuxDev Env/CC and gender experts. |
| | | • available resources and data, and online training (section 5). | |
| Diagnosis of partners' capacities | | • analyse the capacities of national partners and the Env/CC management arrangements and systems in place;<br>• define support and/or capacity building activities. | • technical assistant / CTA;<br>• support of the LuxDev Env/CC expert or mobilisation of external experts;<br>• programme approach. |
| | | • toolkit on criteria to be considered for the diagnosis of capacities on Env/CC aspects. | |
| Acquisition procedures | | • infrastructure/equipment that is low in energy, materials, emissions, resources, operating and maintenance costs. | • technical assistant/ CTA ;<br>• project approach. |
| | | • guide "Acquisition of Sustainable Buildings - ACQ_49";<br>• guide "Environmental Recommendations for Sustainable Construction - ACQ_45". | |
| Monitoring and reporting system | | • update the monitoring and evaluation matrix in real time (at least twice a year);<br>• monitor the implementation of E&S risk management measures (of the ESMP), where applicable;<br>• to prepare the results-oriented progress report with a section on cross-cutting themes and Env/CC. | • assistant/CTP or national counterpart;<br>• Env/CC expert support and LuxDev M&E expert or mobilisation of external experts. |
| | | • writing external reports. | • expert Env/CC. |
| Ad hoc missions | | • carry out advisory missions and issue recommendations. | • expert Env/CC. |

## 7.1. Awareness raising, continuous training and capacity building

LuxDev management will take every opportunity to ask the head office Env/CC expert to present the procedures and tools available for the application of the Env/CC strategy within LuxDev (presented in this guide) during staff meetings, meetings with representatives, and interviews with "peers". In this way, staff at headquarters and technical assistants in the field (including CTA) will be familiarised with the subject. The Env/CC expert ensures their initiation and organises capacity building if needed (and interested). The monitoring of the integration of the Env/CC dimension in the implementation of projects/programmes is the responsibility of the technical assistants and the CTA and is preferably managed by an Env/CC expert who is part of the project/programme staff.

In the absence of an Env/CC expert, the person in charge of monitoring the project/programme will have to be trained in the subject. This training/awareness raising could be carried out by local partner institutes (academic, research, etc.) or organisations (associations, Non-Governmental Organisations (NGO), etc.) specialised in these issues. The Env/CC expert at LuxDev's headquarters will act as a support resource and provide advice and guidance as needed. The use of a roster of external experts, to be mobilised and contracted according to the identified field needs to support the LuxDev expert and/or the project/programme implementation teams may also be considered.

To ensure full support to the teams, staff will participate in a gender-sensitive Env/CC training at the start of the project/programme, to be adapted to their needs (technical assistance, support teams).

The training they receive consists of at least one of the following elements:

- basic online training on Env/CC topics, with a gender sensitivity focus (see section 4);
- an introduction to gender-sensitive Env/CC during their visit to LuxDev in preparation for their mission, if applicable, or during an Env/CC expert mission in the field;
- a bilateral meeting with the Env/CC expert to clarify Env/CC monitoring elements and expectations, especially for projects with Rio 2 DAC markers.

### 7.2. Diagnosis of implementing partners' capacities

In the case of an implementation modality delegated to a national counterpart (as well as non-public partners), a strategically designed capacity building effort of the implementing partners should be foreseen and applied, especially for projects/programmes with DAC Rio 2 markers. A quick diagnosis of the partners' Env/CC management capacities could be carried out beforehand during the start-up phase of the project/programme by internal staff or outsourced to consultants. This diagnosis, carried out with the help of tool sheet n°5, could cover individual, functional and organisational capacities (procedures, devices and processes put in place within the organisation in terms of environmental management, e.g., E&S risk control policy, contracting and procurement, etc.), or even institutional and systemic capacities (environmental regulations, strategies related to Env/CC, etc.).

Based on the assessment of needs in terms of integration of Env/CC into national systems and arrangements, an appropriate capacity building plan should be developed. The results of this diagnosis can thus be used to promote and/or strengthen the social responsibility of partner organisations and counterparts and to engage them in a continuous process of improvement of their practices, mechanisms and national environmental management systems. At the same time, this can help pave the way for a more holistic and sustainable impact of LuxDev interventions.

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| Section 4 - Available resources and data, and online training |
| Tool sheet n°5 - Diagnosis of implementing partners' capacities on Env/CC aspects |

### 7.3. Procurement procedures (project approach)

In line with the MFEA's Env/CC strategy, as well as LuxDev's quality approach, the agency has designed a "green" Tender Dossier (TD) that is more sensitive to Env/CC. This initiative concerns calls for tender for design and execution of works. It includes specific recommendations related to environmental protection and CC. In cases where these green TD are used, the contract is awarded to the tender that complies not only administratively and technically, but also with the environmental criteria stipulated in the TD.

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| Guide "Environmental Recommendations for Sustainable Construction - ACQ_45" |
| Guide "Acquisition of Sustainable Buildings - ACQ_49" |

### 7.4. Monitoring and reporting system

Monitoring is defined as "a continuous process of systematically collecting information, according to selected indicators, to provide managers and stakeholders of an ongoing development action with evidence on progress made, objectives achieved and the use of allocated funds"[10].

The general strategy for Luxembourg Cooperation stresses that "regular monitoring of the implementation of projects and programmes will be reinforced. In a constantly evolving development context, regular monitoring improves the overall results achieved by identifying difficulties in real time, thus facilitating rectification along the way. Such increased adaptability ensures that development actions will continue to produce the expected results, and "leave no one behind""[11].

Representatives, CTA, technical assistants, the Env/CC expert and LuxDev management, all of whom are accountable for the commitments made, will draw up various "progress reports" based on the processes described in the technical guide for results-based formulation, management and monitoring. Thus, the monitoring of the Env/CC performance of projects/programmes is carried out based on the elements listed below, which are part of the agency's usual monitoring process.

[10] According to the OECD-DAC Glossary of key terms in evaluation and results-based management
[11] https://cooperation.gouvernement.lu/fr/publications/strategie/strategie-generale-2030.html

### *7.4.1. Internal reporting*

#### *a. The monitoring and evaluation matrix*

The monitoring-evaluation matrix is established by the formulation team during the formulation phase, and at the latest reviewed and adapted by the project/programme team during the inception phase. According to the scores attributed to the DAC Rio markers of the project/programme, it integrates indicators of results, effects and impacts adapted to the objectives set on one or several Rio themes (cf. tool sheet n°3), in order to measure the level of progress made towards the achievement of these objectives in relation to the desired target values. The monitoring and evaluation matrix also includes the basic values of the indicators.

It is constantly monitored by the person in charge of monitoring, and preferably the results in terms of Env/CC are monitored in particular by the Env/CC expert on the programme staff. Ideally, it is updated in real time, according to the established frequency of collection of the various indicators that make it up, or at least twice a year, and leads to an analysis whose findings feed into the progress reports and risk management during implementation.

#### *b. The progress report*

The progress report is an annual report prepared by the project team with the support of the ROF and focused on results, which also has the particularity of being shared with the counterpart. However, if the project/programme is in a phase where such information cannot be provided (in the start-up phase, or if the monitoring system is not yet sufficiently mature), the report will focus on the main activities implemented (output reporting).

Part of this report is devoted to cross-cutting themes, including Env/CC. Given the agency's desire to focus reporting on the essentials and avoid dispersing itself in a tedious narrative, it is appropriate to describe the progress made in relation to the expected results and the indicators set to measure their achievement. The annual report is also an opportunity to note any difficulties encountered in relation to the integration of Env/CC themes, additional challenges and risks identified during implementation and the initial lessons learned, which are useful for feeding into capitalisation efforts.

Reporting on Env/CC indicators can also be presented and discussed with national counterparts and partners on the agenda of the annual project/programme steering committees, in order to demonstrate the importance given to this theme, to continuously mobilise stakeholders, to reassess and adjust, if necessary, the actions to be implemented and possibly to increase the level of effort in this area.

Where appropriate, the annual progress report also includes monitoring of the effective implementation of the E&S and climate risk management and mitigation measures identified during the E&S *screening* carried out at the project/programme formulation stage. The implementation of an ESMS mainly concerns projects classified as A (high risk) but specific measures can also be defined for projects classified as B (moderate risk).

### *7.4.2. External reporting*

The Env/CC expert at LuxDev's HQ is responsible for drafting several reports to meet the accountability requirements of different institutions, including the EU, the UN, the OECD, or the GCF. LuxDev is not as such accountable, but it delivers its services and contributions to the duty bearer, i.e. the MFEA, which is supposed to report on the monitoring of the SDG and the Rio DAC/OECD markers (number of projects with a value of 0, 1 or 2 and justification of 0 ratings), or the MECCSD, which is supposed to report to the UNFCCC on the use of the international climate finance.

## 7.5. Ad hoc missions

At the request of LuxDev ROF on specific needs, the Env/CC expert will carry out advisory missions, following which recommendations will be issued through the mission report. The person responsible for implementation and follow-up of the recommendations will also be included in the mission report, as well as the various deadlines to be met.

# 8. EVALUATION AND CAPITALISATION

| Entry points | | Key actions and tools | How to implement |
|---|---|---|---|
| Mid-term and final evaluations | | • integrate Env/CC and gender-related evaluation questions into the ToR of interim and final evaluations. | • country desks;<br>• knowledge management & evaluation department;<br>• expert support Env/CC LuxDev. |
| | | • toolkit with guiding questions for integrating Env/CC and gender into assessments. | |
| Capitalisation | | • carry out a cross-sectional analysis of the reports and synthesise the key elements for the field;<br>• identify a topic for capitalisation on Env/CC and develop a capitalisation note;<br>• collect promising practices from projects/programmes and facilitate dissemination. | • knowledge management & evaluation department;<br>• expert Env/CC LuxDev. |

## 8.1. Evaluation mid-term and final

Evaluation is a “systematic and objective assessment of an ongoing or completed project, programme or policy, its design, implementation and results. The aim is to determine relevance and achievement of objectives, development efficiency, effectiveness, impact and sustainability. An evaluation should provide credible and useful information that allows lessons learned to be fed back into the decision-making process of beneficiaries and donors”[12].

LuxDev’s internal evaluation policy emphasises that cross-cutting themes, including Env/CC, are analysed in all evaluations and systematically evaluated in depth for projects/programmes where the DAC marker defines one or more of the Rio themes as a “main” (marker 2) or “significant” (marker 1) objective.

The inclusion of Env/CC issues in the ToR of evaluations will allow for an assessment of the extent to which a project/programme has contributed to environmental protection and the fight against climate change in a given sector. In particular, mid-term evaluations will make recommendations “along the way” to improve the integration of Env/CC issues if this has not been sufficiently achieved. The final evaluations will ensure that the main lessons learned are identified and general recommendations are made regarding the mainstreaming of Env/CC, with a view to the design and implementation of future similar projects.

Evaluation ToR and draft reports are systematically shared with the Env/CC expert for critical reading. Tool sheet n°4 provides Env/CC-related elements to be taken into account when drawing up ToR for an evaluation assignment.

| Tool sheet n°6 - Integration of Env/CC in ToR for evaluations |
|---|

## 8.2. Capitalisation

The LuxDev HQ Env/CC expert will carry out a cross-cutting analysis of progress reports, closure reports and evaluation reports, synthesising the key Env/CC elements for the field, following the feedback loop principle.

The Env/CC expert will assess, in collaboration with the field, whether there is a potential topic for capitalisation in relation to Env/CC themes and will support the elaboration of a capitalisation note (cf. Specific guidance for capitalisation). Similarly, when the implementation team of a particular project/programme decides to develop a capitalisation output/product on Env/CC, the Env/CC expert from LuxDev's headquarters will be included in the process.

These practical examples and experiences would mainly come from LuxDev internal sources but could also be compared to external ones with an objective of qualitative comparison (benchmarking).

[12] According to the OECD-DAC Glossary of Key Terms in Evaluation and Results-Based Management.

# 9. WHICH TOOLS FOR WHICH PHASE OF THE PROJECT CYCLE

Throughout the project cycle, the tools mentioned throughout the guide are intended to harmonise and strengthen our interventions in Env/CC mainstreaming. They can be used as they are, but also adapted to the context, shared with counterparts, and even used during other phases of the project cycle than the one to which they are mainly linked. The matrix in appendix 1 presents these tools and the stage(s) of the project cycle to which they are associated.

## LIST OF TOOL SHEETS IN THE OPERATIONAL GUIDE TO ENVIRONMENTAL INTEGRATION GRATION C LIMATIC


| | |
|---|---|
| **Tool sheet n°1** | Sample ToR for an Env/CC analysis - Formulation |
| **Tool sheet n°2** | Criteria for assessing the quality of an Env/CC analysis |
| **Tool sheet n°3** | ToR for conducting an ESIA |
| **Tool sheet n°4** | Impact and effect indicators related to Env/CC |
| **Tool sheet n°5** | Criteria for analysing the Env/CC performance of a partner institution |
| **Tool sheet n°6** | Integration of Env/CC in ToR for evaluations |
| **Tool sheet n°7** | ToR for country profile for Env/CC issues |


## LIST OF ANNEXES


| | |
|---|---|
| **APPENDIX 1** | Tool matrix |
| **APPENDIX 2** | Resources |

## 1. When to use this tool?

This tool, to be used in the formulation phase, defines the elements to be systematically integrated in the formulation study to ensure the mainstreaming of Env/CC themes in projects/ programmes, including those that do not a priori present a specific link with Env/CC.

## 2. Presentation

The Env/CC analysis can be carried out either at the level of a sector programme (global or sector analysis of a CIP) or of a specific project (of the geographical area of intervention and/or of the sector concerned), in order to identify the issues, challenges and opportunities related to Env/CC, and the potential co-benefits generated by the project/programme on biodiversity, climate and natural resources, with a view to increasing the quality and the sustainability of the impact of the intervention

## 3. Use

Content of the analysis and specific tasks:

- identification of the issues, impacts and risks (particularly on the sectors considered and/or the geographical area of intervention) caused by natural resource degradation and CC, with particular attention to the gender dimension. This includes in particular:
  - the factors of anthropogenic pressures contributing to the degradation of natural resources/biodiversity and associated ecosystem services,
  - the potential impacts of CC on human and natural systems, based on CC already observed and projected in the country/area;
- identification of national/local/sectoral policies and strategies related to Env/CC issues, including NDC and NAP, if existing. Mapping of actors and stakeholders involved and rapid assessment of national/local capacities to address Env/CC challenges. Inventory also of projects and initiatives carried out by other TFP in the same sector/area of intervention in relation to the Env/CC theme, in order to ensure synergy and complementarity of actions. If relevant, review and synthesise the findings and recommendations of the progress report, the mid-term review or the final evaluation on the transversal Env/CC theme;
- identification of opportunities for integration of Env/CC issues within the project/programme and assessment of potential co-benefits on biodiversity and climate:
  - potential of the project/programme in terms of GHG emissions reduction/carbon storage,
  - potential contribution to the resilience of beneficiary populations through improved risk management and living conditions (e.g., diversification of income sources from natural resources threatened by CC impacts),
  - The potential for reducing the environmental/ecological footprint of the infrastructure or facilities provided by the project/programme (in terms of choice of materials, consumption of resources, sources of supply, etc.),
  - potential to contribute to the circular and green economy, including training in related occupations, sustainable consumption and production patterns and support for the energy transition,
  - potential in terms of spill-over/leverage effects on other sectors or on a wider scale than the project/programme intervention area;
- recommendation for the integration in the TFD, notably at the level of the logical framework and/or ToC (global and specific objectives and expected results), of the monitoring-evaluation system through the definition of appropriate Env/CC indicators, i.e. objectively verifiable, and of proposed ratings/scores of the different RIO DAC markers.

## 4. Methodology

The analysis will be based on the collection and review of data - gender-specific depending on the theme, existing information and studies from available documentation and consultation with key national stakeholders involved in monitoring Env/CC themes.

In the framework of a project approach, depending on the timetable and the available budget, the Env/CC expert may be required to carry out additional data collection in the field, in case the available data is insufficient. The methodology will favour the implementation of a participatory and inclusive approach, with a specific focus on women and youth (consultation workshops). This approach will notably allow the identification of local perceptions of environmental and climate risks and impacts, local know-how and adaptation and risk mitigation measures already implemented by the populations, and contribute to the identification and prioritisation of additional and locally appropriate/accepted measures.

### 5. Expected deliverables

The expert should produce an inception report clarifying the methodology and timetable, taking into account the parallel project/programme formulation process.

A draft report including the various elements of the Env/CC analysis mentioned above (c.-i.e. i) analysis of Env/CC issues, impacts, risks, ii) analysis of the national policy, regulatory and institutional framework, capacities of stakeholders involved in these issues, iii) analysis of opportunities and potential positive co-benefits of the project/programme in terms of biodiversity conservation and CC mitigation and adaptation, iv) conclusions and recommendations for a better consideration of biodiversity and climate issues in the design of the project/programme) will be submitted and presented to the Head of Mission of the formulation and to the LuxDev representative in the country (country desk). The expert will take into account the comments received to prepare a final version of the report.

### 6. Profile/expertise

- specific training in environment and/or CC and development;
- minimum five years' experience in carrying out environmental and/or CC studies (including environmental impacts and vulnerability to CC);
- professional experience in development Cooperation;
- professional experience in [partner country or region] and good knowledge of its socio-economic context;
- proven experience in working with participatory approaches;
- proven ability to work in a team;
- perfect command of [language].

## 1. When to use this tool?

This tool is used in the formulation phase, after receiving the Env/CC analysis.

## 2. Presentation

The quality of the Env/CC analysis mission report will be assessed by the formulator (or by the resident representative if the formulator has carried out the Env/CC analysis him/herself, in the absence of an expert recruited for this purpose in the formulation team) on the basis of a number of criteria set out in the table below, which make it possible to assess the extent to which the requested elements are integrated into the analysis.

## 3. Use

| How are the following elements integrated into the analysis? | -- | - | + | ++ |
|---|---|---|---|---|
| The legislative and regulatory framework on Env/CC at different international, regional and national, local levels (if relevant). | | | | |
| Policy framework at national and local level (if relevant) existence and content of national climate and environment policies, NDC, NAP, Env/CC integration strategies at sector level or local development plan (if relevant). | | | | |
| The institutional framework, identifying the institutions and administrations responsible for Env/CC issues at national and local level (if relevant). | | | | |
| The issues, risks and potential impacts of climate change (observed and projected) and/or natural resource degradation on the sector and/or geographical area concerned by the intervention. | | | | |
| Gender-differentiated vulnerabilities to the impacts of CC and natural resource degradation in the sector and/or geographical area concerned. | | | | |
| Stakeholders involved in the issue (including civil society) and their role in the sector and/or area concerned and a rapid assessment of their capacity to be partners in the project/programme. | | | | |
| Projects and initiatives carried out by other TFP in the sector and/or the intervention area concerned in relation to the Env/CC theme. | | | | |
| Findings and recommendations from the progress reports, mid-term review or final evaluation of the previous project/programme on the Env/CC transversal theme (if relevant). | | | | |
| Opportunities for integrating Env/CC issues within the project/programme and assessment of potential co-benefits on biodiversity and climate (contribution to GHG emission reduction, to strengthening the resilience of beneficiary populations, to circular economy, etc.). | | | | |
| Recommendations for the integration of Env/CC in the Logframe (including indicators and monitoring system). | | | | |
| Recommendations on the score of the Rio and environmental markers. | | | | |
| General recommendations for an optimal integration of the Env/CC issue in the project/programme (in terms of institutional set-up, potential partnerships, capacity building of partner entities, financing tools or incentives, etc.). | | | | |

These ToR include some guidance on writing the terms of reference for an ESIA for a category A project[13].

### 1. Background to the ESIA

Describe why an ESIA is needed. Refer to the results of the screening of E&S impacts and climate risks.

### 2. Objectives of the ESIA

The objective of this work is to carry out an ESIA, including the definition of an ESMP, aligned with the World Bank Group's environmental and social performance standards and norms for the XXX project, in line with LuxDev's E&S policy.

### 3. Content and expected results

The results of the screening will be the starting point for the ESIA consultant team to frame the particular impacts and risks identified as significant during the *screening* for further analysis.

The ESIA should include the following elements:

- description of the project and its planned activities (and potential alternatives, e.g., in terms of location or activities);
- description of the legislative, regulatory, institutional and policy framework applicable to the project and to E&S;
- identification of key relevant stakeholders to be engaged in the ESIA process to identify their concerns and values in relation to the project concerned. Particular attention should be paid to traditionally less represented stakeholder groups such as women, indigenous peoples and minorities;
- description of the main aspects of the environment in the project area and the key interactions between the project and the environment. The baseline environmental situation details in particular:
  - the physical environment (including climate variability and CC, air quality, water resources, soil quality, geomorphology and risk of natural disasters),
  - the biological environment (including biodiversity and biological resources of cultural, social and economic importance),
  - the socio-economic environment (including aspects that depend on the state of the environment, aspects that may produce environmental impacts and socio-economic conditions that may be affected by the project);
- identification and assessment of the negative E&S impacts likely to be generated by the project and its alternatives in the different phases (construction and operation). Potential significant impacts (direct and indirect) should be identified using the methodology proposed in the scoping report (see deliverables below). The impacts should be described according to their nature and characteristics (e.g., direct or indirect, temporary or permanent, positive or negative, of greater or lesser magnitude, reversible or not etc.). As appropriate, impacts on populations should be disaggregated by gender, age and other relevant social criteria;
- formulation of recommendations and proposals to enhance positive impacts and avoid, reduce or compensate for undesirable effects for each impact identified as significant. These mitigation measures are further elaborated in the ESMP and must be technically feasible, economically justified and socially acceptable.

The ESMP thus identifies the actions required to implement the recommendations of the ESIA, including the environmental monitoring required during the project implementation phase. The ESMP should translate the recommendations into an operational plan for the different phases of the project (construction, operation). The ESMP should include the implementation modalities and a monitoring frame work for the implementation of the defined measures, specifying the institutional arrangements (roles and responsibilities of the stakeholders involved), the budget and the implementation schedule.

[13] These short ToR can be complemented by the more detailed standard ToR for environmental impact assessment annexed to the European Commission's guidelines n°6 on integrating environment and climate change into EU international cooperation (appendix 6).

## 4. Methodology

The ESIA will be based on both documentation review - including available project documents, review of relevant environmental and socio-economic literature and the environmental policy, regulatory and legislative framework - and stakeholder consultation, involving fieldwork.

## 5. Deliverables

- scoping report including a detailed work plan and methodological approach, including the stakeholder engagement plan to be consulted, with particular attention to traditionally less represented categories (including women);
- a full ESIA with appendices;
- a full ESMP with appendices.

## 6. Profile of the evaluator

The team of consultants (number to be determined) responsible for conducting the ESIA must meet the following criteria:

- an expert with at least 10 years' experience in E&S impact assessment;
- xx experts with at least five years of relevant experience and a proven technical background in xx (the number of experts and their areas of specialisation are to be adjusted according to the sector of intervention of the project under consideration and the E&S risks/impacts pre-identified at the screening stage);
- professional experience in [partner country or region] and good knowledge of the socio-economic and environmental context;
- perfect command of (specify language) and local language(s).

## 1. When to use this tool?

In the formulation phase (definition of the logical framework and the monitoring-evaluation mechanism) and during the regular monitoring and evaluation activities of projects and programmes (implementation and monitoring-evaluation phases).

## 2. Presentation of the tool

This tool sheet aims to facilitate the integration of impact and effect indicators that are sensitive to the environment and the climate in relation to the sectors of intervention of the Luxembourg Cooperation through the proposal of a non-exhaustive list of objectively verifiable indicators, while bearing in mind that the definition of these monitoring indicators, in particular the effect indicators, is specific to each intervention, its intended objective and its context.

## 3. Use

The indicators listed aim as far as possible at alignment with the SDG, some core indicators and sub-indicators of the Global Environment Facility[14] and the GCF[15], and possibly indicators of the Rio environmental conventions (including the new post-2020 global biodiversity framework of the CBD[16]). These impact indicators are accompanied by outcome indicators that measure the sustainable changes generated by the goods and services (outputs) during the intervention.

[14] See these guidelines for clear technical definitions and methodologies for each headline and sub-indicator.
[15] See also the CVF manual for Integrated results management frameworks, which provides a set of baseline indicators for climate change mitigation and adaptation in appendix 2.
[16] At the time of writing, the post-2020 global biodiversity framework is still under negotiation. A first version of the post-2020 framework and a first version of the monitoring framework with headline indicators, component indicators and supplementary indicators are available.

| Sector | Impact indicators | Impact indicators | Related Rio themes | | | | SDO links |
|---|---|---|---|---|---|---|---|
| | | | Attenuation | Adapt | Biodiv. | Desertif. | |
| Energy | GHG emissions reduced or avoided (in tonnes of carbon dioxide equivalent).<br>Additional number of people with access to electricity and safe, clean cooking appliances (defined as access to clean cooking fuels and stoves, advanced biomass stoves and biogas systems). | Installed renewable energy capacity (in megawatts): the gross capacity of newly installed or rehabilitated renewable energy generation infrastructure.<br>Renewable energy produced (in megawatts/hour): the amount of renewable energy produced by newly installed or rehabilitated facilities.<br>Production/consumption of renewable energy as a proportion of total energy production/consumption.<br>Number of solar home installations commissioned in areas without access to electricity grids. | X | | | | SDG 13; 7; 9 |
| Agriculture, forestry, land use | GHG emissions reduced/ avoided/ sequestered (in tonnes of carbon dioxide equivalent).<br>Rate of net forest cover change (relevant in countries where wood fuel extraction is a major cause of deforestation).<br>Area of land/ landscape/ natural resource areas under improved management practices (in hectares) (refers to natural areas used for productive purposes, excluding protected areas).<br>Area of restored land (in hectares) (forests, agricultural land, pastures and meadows, wetlands). | Pesticide and fertiliser use intensity (kilograms/unit of production or gross domestic product).<br>Hectares of land (including forest) under improved or restored practices (%).<br>Share of organic/conservation farming in total utilised agricultural area.<br>Area (hectares) under drip irrigation or other water-saving irrigation systems.<br>Water use intensity in agriculture (hectolitres/unit of production or gross domestic product).<br>Number of livestock under sustainable management practices.<br>Tonnes of fish stocks subject to sustainable management practices (fisheries sector). | X | X | X | X | ODD 13; 12; 2; 14; 15 |

| Sector | Impact indicators | Impact indicators | Related Rio themes | | | | SDO links |
|---|---|---|---|---|---|---|---|
| | | | Attenuation | Adapt | Biodiv. | Desertif. | |
| Agriculture, forestry, land use | Number of beneficiaries (women/men) with improved and/or diversified climate-resilient livelihoods (increased income).<br>Number of beneficiaries (women/men) with improved food security | Number of farmers using organic or conservation farming techniques.<br>of households in targeted communities covered by insurance mechanisms against Env/CC risks (agricultural credit savings group; index insurance...)<br>Number of value chains created for processed products from natural resources, number of jobs created (% men/women). | | X | | | ODD 13; 5; 2; 8 |
| Drinking water | Number of beneficiaries (women/men) with secure and climate-resilient access to water.<br>of people (women/men) with year-round access to a safe and reliable water supply. | Number/% of households connected to a sustainably managed and climate-resilient water supply system.<br>Level of water stress (freshwater withdrawals as % of long-term available freshwater resources (taking into account the renewal rate of the resource)).<br>Renewable freshwater resources per person (m3/person).<br>Changes in water efficiency (e.g., intensity of water use in agriculture - drip system).<br>Level of water losses in the networks (in % of total volumes distributed).<br>Number of people made aware of water efficiency.<br>Number of beneficiaries with alternative supply options in place (rainwater retention and harvesting, groundwater recharge system, reuse of treated wastewater for certain uses, etc.).<br>Existence of a multi-actor management/emergency plan to deal with the risk of water stress. | | X | | | SDG 13; 5; 6 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Drinking water | Number/area (km²) of catchment areas subject to effective sustainable management measures (e.g., integrated water resources management, integrated catchment management).<br>% of rivers and water bodies with good ambient water quality. | Effective environmental monitoring of water withdrawals and wastewater discharges into watercourses and water bodies.<br>Establishment and implementation of an Action Plan for Integrated Water Resources Management.<br>Establishment of effective water management committees at catchment scale. | | X | X | | SDG 6 |
| Health | Number of people covered by epidemiological surveillance systems integrating climate-sensitive diseases and zoonoses.<br>Changes in the incidence rate of climate-sensitive diseases (malaria, dengue, etc.) and zoonoses. | Existence/quality of epidemiological surveillance systems integrating Env/CC risks.<br>% of care staff (male/female) aware of and trained in climate risks and issues.<br>Number of risk management plans defined (by health care organisations).<br>Number of vulnerable people (men/women) targeted by malaria control measures. | | X | | | MDG 3 |
| Education/ vocational training | of people (women/men) who have acquired skills to cope with CC.<br>Number of green and greening jobs created, number of new or adapted jobs in relation to the CC. | Number of disciplines/training courses in the education system that integrate Env/CC issues.<br>of teaching staff trained on Env/CC issues.<br>Level of adequacy between the training offer and the needs in terms of climate action (mitigation and adaptation).<br>Number of economic sectors and business lines identified in relation to green job opportunities.<br>Rate of access and participation (women/men) in promising educational pathways, and number of promising educational pathways that can promote the empowerment of girls/women. | X | X | | | ODD 8; 4; 5; 13 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disaster risk reduction | Number of beneficiaries (women/men) covered by new or improved early warning systems.<br>Number of beneficiaries (women/men) living in buildings with enhanced resilience to climatic hazards.<br>Trends in deaths, losses and damages due to natural disasters. | Existence, quality, accessibility and timeliness of climate services to support decision making in climate sensitive sectors.<br>Existence of adequately tested and provisioned disaster response plans at target community levels.<br>Improved standards, capacities and practices for disaster prevention and management at different levels of response and in different sectors.<br>Standards and practices for the construction and maintenance of infrastructure taking into account disaster risks. | | X | | | SDG 11 |
| Biodiversity | Hectares of terrestrial, coastal and/or marine areas conserved and/or restored or whose ecosystem status is improved.<br>Changes in the status of habitats and ecosystems. | Number and coverage (hectares) of effectively managed protected areas (terrestrial, coastal and marine) (management plans covering aspects of protected area planning and management, actions with local people and monitoring the status of habitats and ecosystems) with adequate human and financial resources. | | | X | | SDG 14; 15 |

## 1. When to use this tool?

At the start of the implementation phase, the rapid diagnostic should be used when implementing partners are identified and before a more in-depth capacity diagnostic is carried out (if deemed relevant).

## 2. Presentation of the tool

This tool identifies, in the form of a checklist, the key elements and aspects to consider when assessing an organisation's capacity and performance in terms of environmental management and integration of Env/CC concerns into its activities, procedures, operating modes and internal functioning. The criteria and questions identified are intended to complement LuxDev's existing organisational assessment grid (guide “Support Capacity Development to Facilitate Change - FOR_38” and follow the same scoring system (on a scale of 0 to 5).

## 3. Use

A rapid diagnosis can be carried out internally or by a team of consultants with the participation of the partner, based on interviews and a review of the relevant internal documentation (policies, procedures, internal mechanisms related to the Env/CC theme). It is essential that the partner has expressed an interest in the analysis. The level of detail to be obtained must be set out in the ToR of the assignment and must correspond to the needs of the intervention.

An analysis of an organisation's Env/CC capacity and performance can be carried out against five key areas and related questions as set out in the table below:

| Criteria/areas of analysis | Questions |
|---|---|
| Env/CC policy and strategy | Has the organisation defined a strategy or policy for integrating Env/CC issues into its activities/sector of intervention? |
| | If so, is this strategy/policy accompanied by an action plan, budgeting of measures and a system for monitoring their implementation? |
| | Does this strategy help to guide decision-making? |
| | Has the organisation developed specific partnerships on these issues? |
| | Does it develop specific activities related to the Env/CC? |
| Organisational and operational structure | Does the organisation have a dedicated Env/CC unit?<br>If not, how are Env/CC issues addressed/worked on in the organisation's activities? |
| | If so, what are their roles and responsibilities? Are they sufficiently clear and well defined? |
| | Does this unit have a strategic role and sufficient weight to influence the direction of the organisation's missions/activities and decisions? Is it supported in its functions by the management? |
| | Are the functions of this unit well integrated and accepted by other departments / services in the organisation? Does this unit work in collaboration with them? Or are there blockages? |
| Internal procedures and processes | Has the organisation defined a social responsibility policy to limit the environmental impacts and the environmental and carbon footprint of its activities, operations and functioning (e.g., adapting the procurement process by including Env/CC clauses in tender documents)? |
| | Does it have a specific policy for E&S risk management and complaints management (in line with international standards and good practice)? |
| | Is it aware of the climate risks that could potentially affect/disrupt its activities? Does it have a systematic procedure for analysing climate risks (physical and transitional)? |
| | Is there evidence of effective and systematic implementation of the organisation's required environmental and climate analysis and management practices (mobilising existing capacity)? If not, why not? |

| | |
|---|---|
| | To what extent have the practices, procedures and tools put in place by the organisation led to corrective adjustments in the implementation of particular interventions managed by the organisation? If not, why not? |
| | How is this organisation perceived by other external actors in its sector of intervention in terms of its practices of taking into account the environmental and climate dimensions in its interventions? |
| Human and financial resources | Does the organisation have specialised people or proven and assured access to expertise on Env/CC issues to provide the required analysis? Is this expertise in sufficient quantity and quality? |
| | Does it have sufficient means/budget to ensure the implementation of Env/CC measures (financing of potential additional costs of Env/CC measures) |
| Monitoring and evaluation mechanism | Has the organisation defined indicators to monitor its Env/CC performance? |
| | Is there clear evidence of effective and systematic implementation of procedures for monitoring and evaluating the organisation's environmental and climate practices (reporting, monitoring tools used, etc.)? And if not, why not? |
| | Are the findings and recommendations of monitoring and evaluation activities used as part of an adaptive management approach? If so, in what way and through what internal process? |

## 1. When to use this tool?

In the implementation phase, for mid-term and final evaluations, and also for self-evaluations and capitalisations.

## 2. Presentation

An Env/CC evaluation assesses the extent to which a project or programme has contributed to environmental protection and the fight against CC in the sector concerned, and provides recommendations on the issue for the continuation of the project or programme, as well as for future projects and programmes.

This tool provides the elements to be taken into account when establishing ToR for an evaluation or capitalisation mission.

## 3. Use

The proposed elements are not exhaustive, nor should they be taken in their entirety. A choice must be made, depending on the project or programme to be evaluated, and on the DAC RIO markers assigned in order to meet the performance criteria.

### 3.1 Identification and formulation

- has a screening of E&S impacts and climate risks been conducted?
- if deemed necessary according to the results of the screening, has an in-depth ESIA and/or an ad hoc in-depth climate risk assessment been carried out?
- have the identified E&S aspects, if any, been addressed in the formulation study?
- did national environmental policies influence the design, delivery and outcomes of the intervention?
- has the project/programme taken into account any recommendations from previous missions or evaluations in relation to Env/CC?
- does the intervention comply with the “do no harm” principle (minimum DAC criteria)?
- does the results framework contain at least one explicit environmental and/or climate change objective with at least one specific indicator (minimum DAC 1)?
- does the results framework allow for the measurement of progress towards the achievement of the project/programme's Env/CC objectives by means of specific impact and outcome indicators (minimum DAC 2 criteria)?
- were the beneficiaries, both men and women, involved in the design of the project, and if so at what level (e.g. in the definition of indicators)?
- have the costs of measures related to environmental and climate change integration been adequately provided for in the budget plan?

### 3.2 Implementation and monitoring

- has the project/programme worked with the authorities in charge of promoting environmental protection and the fight against CC in the partner country and/or with civil society organisations active in this field?
- has the project contributed to the capacity building of partners in Env/CC?
- if applicable, is the infrastructure/equipment designed within the project/programme low in energy, materials, emissions, resources, and low in operating and maintenance costs?
- did the project staff participate in Env/CC training adapted to their needs at the start of the project/programme (technical assistance, support teams)?
- what strategies has the project/programme adopted to protect the environment and contribute to the fight against CC?
- how well does the project/programme monitoring system track results, including changes in beneficiaries' attitudes/behaviour? Was the choice of objectively verifiable indicators satisfactory?
- What are the constraints and obstacles in relation to Env/CC that the project/programme has encountered, and how has it overcome them?

- were the resources (financial, material, human, technical, etc.) allocated for the integration of the Env/CC sufficient? If not, what are the reasons? This question applies to the resources of the project/programme but also to the resources of the national counterpart.

### 3.3 Capitalisation

- what good (proven and replicable) practices have emerged from the project/programme in relation to Env/CC?
- what are the lessons learned and recommendations for the continuation of the project/programme or for a future or similar intervention in another country/context?
- which topic could be capitalised on or further analysed?

## 4. Profile of the evaluator

- higher education in social sciences, natural sciences or equivalent;
- specific training in environment and/or climate change and development;
- minimum five year's experience in carrying out evaluations in the field of Env/CC;
- specific experience in relation to the general theme of the project/programme being evaluated;
- a strong grasp of the OECD/DAC assessment criteria;
- professional experience in development cooperation;
- professional experience in [partner country or region] and good knowledge of its socio-economic context;
- proven experience in working with participatory approaches;
- proven ability to work in an (international) team;
- perfect command of [language].

## 1. When to use this tool?

This tool is used (primarily) in the identification phase to carry out a thematic/sectoral country analysis (country fiche) for Env/CC issues. This tool aims to inform and support the pre-formulation process.

In the absence of a country sheet that explains the Env/CC context, a country thematic/sector note can be applied at any point in the project cycle to complete the document base.

## 2. Presentation

The Env/CC country profile is a report (or country thematic/sector note) that includes analysis of the country's macro-level Env/CC situation, current Env/CC policies and strategies, institutional capacities and experience of Env/CC cooperation, with clear recommendations for future development and climate cooperation.

Where possible, the drafting of an Env/CC country profile should be undertaken as a joint exercise with national partners and other development TFP.

## 3. Use

As part of the programming cycle, preferably before the start of a new CIP, LuxDev should prepare an analysis of the country's environmental and climate context and of past and present Env/CC cooperation (including mainstreaming efforts).

The analysis, often known as the country's environment and climate profile (or Env/CC country fiche), covers the main environment and climate-related challenges and opportunities, how they are addressed in the national development plan and other policies, and the implications for Luxembourg's future cooperation and policy dialogue. The analysis informs the assessment of the national policy documents on which programming will be based, policy dialogue, potential avenues for a CIP, and its implementation.

This annex presents the ToR for a comprehensive analysis of a country's Env/CC and these ToR should be adapted to the needs of the embassy and/or LuxDev depending on the availability of other similar analyses and the scope of the analysis according to the importance attached to the Env/CC.

Two approaches are possible:

- there are no recent equivalent analyses, or the sources of information are not reliable - in this case, it is recommended to prepare a full Env/CC country profile on the basis of these ToR;
- there are equivalent recent analyses that can inform the integration of environment and climate change into programming - in this case, the analysis can focus on filling in any relevant missing information required by these ToR (including an overview of the integration of Env/CC into cooperation in past and current programmes and projects), and analysing the available information to make recommendations for better integration of Env/CC into future CIPs.

## 4. Model ToR for the preparation of the environmental and climate profile

### 4.1 Background

Provide a brief overview of the country, its current socio-political situation, the experience of EU cooperation on key environmental concerns and the responses of the government and/or other donors, the objectives and rationale for integrating environment and climate change into EU country analysis and programming documents, and the current timeframe in relation to the multi-annual programming process.

### 4.2 Objective

The main objective of the environment and climate profile is to identify and assess the Env/CC issues to be taken into account when preparing a CIP. The country profile will provide decision-makers in the partner country and the Directorate for Cooperation (including embassies) with clear information on the main environment and climate change challenges and opportunities, including the implementation of the current or future CIP. It will cover the current policy, regulatory and institutional framework and the strategies and programmes (including those of Luxembourg and other donors) to address them. The analysis aims to inform the preparation of Luxembourg's cooperation programme, to guide the integration of Env/CC concerns and objectives into the policies, projects and programmes supported by Luxembourg Cooperation and to establish the necessary Env/CC safeguards for all cooperation activities undertaken in the country.

### 4.3 Results

The country profile will yield the following results:

- an assessment of the state of the environment and the main environmental factors and trends, including those related to CC, that influence the sustainable development and stability of the country;
- an assessment of the main links between the state of the environment, climate change and human development in its multiple dimensions (income, consumption, health, security, vulnerability, etc.);
- an assessment of national Env/CC policy and legislation/regulation, institutions and capacities, and civil society involvement in Env/CC issues (including areas relevant to the transition to a green economy);
- an assessment of available analyses of the potential impacts of increasing climate variability and CC on different key sectors (a focus on sectors of interest to the Cooperation), as well as the strategies and processes in place or being developed to address them;
- an assessment of the integration of Env/CC concerns into development policy and sectors (including an overview of existing institutional arrangements for integration at sector level);
- an overview of past and current international cooperation (including that of Luxembourg) on Env/CC as an area of cooperation;
- recommendations and, to the extent possible, guidelines or criteria for the integration of Env/CC concerns (adaptation and mitigation) in the priority areas of the Cooperation. These recommendations should support the preparation of the ICP and include guidance or criteria to be used for the integration of Env/CC in later phases of the operations cycle.

### 4.4 Questions to be evaluated

The following questions should be analysed using existing information sources and the perspectives of key stakeholders. It is not expected that the preparation of the country profile will involve the collection of original data.

#### *a. Env/CC status, trends and pressures*

This chapter should identify the **status** and **trends of the** country's main environmental resources or components, including (where relevant), but not necessarily limited to: i) terrain, ii) water (surface and groundwater), iii) air quality, iv) forests, v) vegetation, vi) ecosystems, vii) biodiversity, viii) wildlife, ix) mineral resources and geology, x) landscape, xi) human living conditions, and xii) climate trends.

The expected impacts of CC should be described, focusing on key impacts affecting national and sectoral development, taking into account both direct and indirect impacts. An overview of climate vulnerability for the main development sectors should be provided, including an indication of which social groups are particularly vulnerable to CC due to their particular exposure, sensitivity or adaptive capacities.

This section will also highlight the effects of CC in exacerbating existing environmental pressures and the links between environmental degradation (ecosystem services) and vulnerability, with a focus on the poorest and most exposed social groups.

Existing national or sub-regional studies on the expected effects of CC should be taken into account, including proposed responses which may include technical, policy and institutional components.

The overall implications of CC for the preferred areas of cooperation should be assessed, including safeguards or the need for further analysis to ensure that investments are appropriate to the increasing variability of the climate and the expected effects of CC.

Pressures on the environment and on climate vulnerability that explain the main negative trends should be identified, as well as pressures contributing to global environmental problems and atmospheric GHG concentration.

Where possible, the driving forces influencing these pressures should be identified, such as economic and fiscal incentives (including those affecting the transition to a green economy), demographic pressure, the security situation, growing demand for commodities, unsustainable production systems, natural resource governance, natural resource access rights and land tenure.

Trends in the state of the environment and climate should be analysed in terms of their social and economic impact, including:

- the impact on the economy;
- declining production or productivity (e.g., agriculture, forestry, fisheries);
- threats to human health;
- human exposure to environmental disasters (e.g., floods, drought, landslides);
- conflict and security issues;
- the impact on poverty, the differential impact on women and men, the impact on vulnerable groups (including children and indigenous people);
- sustainability of resource use;
- cultural values.

The concluding paragraphs of this section should summarise the main problems identified, described in terms of undesirable situations or trends because of their current socio-economic consequences (e.g., reduced productivity, health problems, natural hazards, social crises, conflicts), their future consequences (e.g., decline of natural sources, cumulative pollution) or their contribution to global environmental problems. The main links between environment, CC and human development (in its multiple dimensions such as income, consumption, health, security, vulnerability, etc.) should be highlighted, possibly in the form of a matrix or “problem tree”.

Where relevant, the consultant should refer to environmental and CC indicators that could be used to monitor changes in key parameters in the country. To the extent that data is available, trends against sustainable development goals, targets and indicators should be provided.

### *b. Environmental and CC policy, regulatory and institutional framework*

A brief description and review of the main measures taken by the government to address the main Env/CC issues and promote sustainable development should be provided. This section should analyse strengths and weaknesses and cover the following aspects:

| ASPECTS | EXAMPLES OF ISSUES TO CONSIDER |
|---|---|
| Policies | • existence of national environmental policies, strategies and action plans, including a possible national sustainable development strategy, national climate change strategy, national environmental action plan, NAP, carbon reduction strategies (CDN), green economy or green growth;<br>• policy responses to global issues, sustainability issues (natural resource depletion), and specific environmental and climate change issues identified above √;<br>• coherence between policies;<br>• gender and environment/climate policies;<br>• significant measures taken by the government to address environmental and climate vulnerability concerns and types of policy instruments used for implementation;<br>• effectiveness in achieving the objectives. |

| | |
|---|---|
| Regulatory framework, including Environmental Impact Assessment (EIA) legislation and strategic environmental assessment | • status of ratification and implementation of multilateral environmental agreements such as those on CC, biodiversity and desertification (with reference to any plans, programmes, communications or official reports issued under these conventions);<br>• adequacy of environmental legislation, including land tenure and land reform, natural resource access rights, natural resource management, environmental assessment requirements such as EIA and ESIA, pollution control, development control;<br>• provisions and procedures for public participation in environmental decision-making;<br>• effectiveness of enforcement;<br>• use of other (non-legislative) instruments, e.g., “green budgeting”, environmental fiscal reform and market-based mechanisms, voluntary schemes (e.g. environmental management systems, environmental labelling, voluntary agreements between industry and governments);<br>• potential impact of non-environmental legislation. |
| Institutions with Env/CC responsibilities | • identity and quality of institutions involved in policy-making, legislation, planning, environmental protection, monitoring and enforcement;<br>• level of coordination and decentralisation;<br>• strength and capacity of individual institutions;<br>• influence on other institutions;<br>• good governance practices;<br>• capacities, means, functioning of environmental services;<br>• key NGOs, institutes or other organisations involved in Env/CC management or policy. |
| Public participation | • transparency and access to environmental information;<br>• role of NGO and civil society in environmental decision-making;<br>• effectiveness of participation;<br>• participation of women and traditionally less represented groups (notably indigenous peoples);<br>• access to justice in environmental matters. |
| Environmental services and infrastructure | • protected areas: number, areas, relevance, effectiveness of protection;<br>• sanitation and waste treatment infrastructure;<br>• disaster risk reduction systems;<br>• emergency response mechanisms. |
| Environmental and customer resilience monitoring system | • relevance of the selected indicators, especially those related to the SDG targets;<br>• measurement of indicators: periodicity, reliability;<br>• integration into general development indicators. |

### *c. Integration of environmental/climate change concerns into key policies and sectors*

The analysis should examine the integration of the Env/CC into national development policy and sectoral policies, in particular those that could be identified for support by Luxembourg Cooperation, taking into account the focus areas of the current programming document as well as any pre-identified options for future cooperation.

This section should consider whether strategic environmental assessments (or similar assessments) are available for the national development strategy or poverty reduction strategy and for the sectors of interest. If such assessments exist, they should be briefly described, including key recommendations. Key legislation, institutional arrangements and measures that address environmental issues in the sector, including those identified in section 4.1 above, should be reviewed.

### *d. Luxembourg's cooperation with the country from an Env/CC perspective*

This section should briefly review past and current experience of development cooperation interventions related to the environment, natural resource management, climate change and the green economy, as well as measures taken to integrate the environment into other areas of cooperation (e.g., EIA/ESIA studies carried out in the framework of programmes/projects funded by Luxembourg). Where information is available, the environmental impacts or risks of past or ongoing cooperation should be identified for the benefit of future programmes. Relevant results and conclusions of existing evaluations/reviews should be summarised.

### *e. Cooperation financed by other donors from an Env/CC perspective*

This section should review the past and current involvement of other donors (in particular EU Member States, but other major donors should also be included) and their experience in the country, and include a list of recent and planned projects/programmes with a focus on environment, CC and/or green economy or anticipated impact. Coordination mechanisms between donors, the EU and the partner country on environment, CC and green economy should be assessed.

## 5. Conclusions and recommendations

The key aspects of environmental and climate change in the country (status, trends and pressures), as well as policy, regulatory and institutional opportunities and challenges, should be identified as clearly as possible, indicating how they affect national and sectoral development, including vulnerability. These key aspects can be presented in a matrix, comparing environmental/climate change concerns and key sectors or policies.

Based on a comprehensive assessment of available information and consultations with stakeholders, conclusions and recommendations should be drawn on how the partner country and the Cooperation can best address the identified Env/CC challenges, strengthen natural capital and promote the green economy in the programming and implementation of Luxembourg Cooperation, taking into account current programmes and any pre-identified options for future cooperation. The conclusions and recommendations should feed into the country analysis, the response strategy and possibly the identification of focal sectors of cooperation. They should address (but not necessarily be limited to) the following aspects:

- the rationale and opportunities for considering Env/CC as an area of cooperation, and/or (more frequently) the need to integrate environmental objectives, safeguards and complementary actions into other areas of cooperation, in order to address environmental and climate change related constraints and opportunities, where relevant, including opportunities to contribute to the transition to a green economy. Measures may include, for example, proposals for institutional strengthening and capacity building (including improvement of the regulatory framework and enforcement capabilities), particularly in relation to sectoral projects and programmes. Opportunities may include support for sustainable and resource-efficient production systems or low-carbon development plans and programmes;
- recommendations to ensure that projects and programmes are adapted to increasing climate variability and anticipated CC impacts, and can thus deliver sustainable development benefits. Information gaps that prevent this work from being done should be identified;
- opportunities for coordination on Env/CC issues with other donors, seeking complementarities and synergies to achieve development goals more effectively;
- proposals for Env/CC related indicators to be used in the MIP or to be taken into account when formulating cooperation actions. Wherever possible, indicators from national results frameworks and indicators related to the SDG should be used, taking into account the availability of data and the actual capacity to monitor their evolution. The report should mention whether the proposed indicators are included in the performance assessment framework of national (e.g. national development plan or poverty reduction strategy) or sectoral strategies/programmes.

Individual recommendations should be clearly articulated and linked to the issues to be addressed and grouped according to the sector or institutional actor concerned. The relative priority of the recommendations and an indication of the challenges for their implementation should be indicated.

Any constraints on the preparation of the profile resulting from limited information should be described.

## 6. Expertise needed

The proposed assignment should be carried out by a team of experts (usually two) who should have the following profiles:

- expert with at least 10 years of experience in the field of environment, including institutional aspects, international environmental policy and management, environmental assessment techniques, CC and experience in rapid information assessment and development of recommendations. He will be the team leader;
- expert with 10 years of experience and with environmental or CC training complementary to that of the team leader.

In addition:

- previous professional experience in the country or region is required for at least one team member;
- excellent analytical and synthesis skills;
- experience in conducting Env/CC analyses and preparing development programmes would be an asset;
- good knowledge of Luxembourg's cooperation policy in general and of country programming, strategies, project cycle management, policy mix and integration of Env/CC issues in other policy areas is desirable;
- experience in green economy policy would be an asset;
- experience in participatory planning processes, the ToC approach, and gender issues would be an advantage.

Experts must have excellent communication skills in (specify language) and (specify language) (Knowledge of (specify) would be an asset). (Specify language) will be the working language; the final report should be presented in (specify language).

## 7. Reports

The results of the study should be presented on the basis of the outline presented in section 10 of these ToR. The draft country profile, in (number) hard copies (double-sided printing on certified or recycled paper) and in electronic format (Microsoft Word), must be submitted to (specify) by (date). Within (number) weeks, comments on the draft report will be received from the relevant authorities (embassies, LuxDev). The consultants will take these comments into account when preparing the final report (maximum 30 pages excluding annexes). The final report in (language) and (number) copies (double-sided printing on certified or recycled paper) must be submitted by (date).

## 8. Indicative plan of activities and man/days requirements

| TASK/ACTIVITY | Expert I | Expert II |
|---|---|---|
| Literature review, including briefing to team leader at (location) | 5 | 2 |
| Field phase, including travel and a possible workshop | 15-20 | 15-20 |
| Finalisation of the report (draft) | 3 | 2 |
| Debriefing at (location) - no later than (date) | 1 | |
| Final report (date) | 1 | 1 |
| Total days | 25-30 | 20-25 |

## 9. Report format for an Env/CC country profile

Maximum length (excluding annexes): 30 pages.

Structure of the report:

1. summary

(The summary should succinctly and clearly present the key issues described in the profile in the order of headings 2-6 below. The summary should not exceed 6 pages).

2. state of the Env/CC, trends and pressures

3. policy, regulatory and institutional framework with respect to Env/CC

4. integration of environmental and CC concerns into key policies and sectors

5. Luxembourg and other donors' cooperation with the country from an environmental, CC and green economy perspective

6. conclusions and recommendations

(Including the main issues presented in sections 2-6 above (excluding section 7) in a maximum of 4 pages).

7. technical annexes:

- relevant maps (e.g., environmental variables, climate projections);
- reference list of Env/CC documents, declarations and action plans;
- reference list of laws and regulations related to Env/CC;
- other relevant technical information.

8. other annexes:

- study methodology/work plan (one-two pages);
- itinerary of the consultants (one-two pages);
- list of persons/organisations consulted with their affiliation and contact details;
- list of workshop participants (if organised);
- list of documentation consulted;
- curriculum vitae of consultants (1 page per person);
- ToR.

| Tool sheet | | Identification | Formulation | Execution |
|---|---|---|---|---|
| 1 | Model ToR for an environmental and climate change analysis in formulation | | X | |
| 2 | Criteria for assessing the quality of an environment and climate change analysis | | X | X |
| 3 | ToR for conducting an ESIA | | | X |
| 4 | Impact and effect indicators related to Env/CC | | (X) | X |
| 5 | Criteria for analysing the Env/CC performance of a partner institution | | (X) | X |
| 6 | Integration of Env/CC in ToRs for evaluations | | | X |
| 7 | Template for country thematic/sectoral note for Env/CC issues | X | | |

## 1. Available resources and data

| Project cycle phase | Resources | Gender | Env/CC | Country |
|---|---|---|---|---|
| Sector analysis and policy dialogue | African Development Bank Country Gender Profiles<br>• national political, socio-economic, socio-cultural context;<br>• legal and policy framework for gender promotion sector analysis: education, health, energy, agriculture, etc.;<br>• gender and new global challenges: food resilience, climate change. | X | X | Burkina Faso, Niger |
| | Wikigender (or genderindex)<br>• gender data and statistics to complement the Gender, Institutions and Development (GID-DB) and the Social Institutions and Gender Equality Indicator (SIGI). | X | | Multi |
| | Open Online Course on Gender and Environment (UNCC)<br>• it contains modules on climate change, biodiversity and land degradation among others. | X | X | |
| | Resources on rural development (Rural Development Inter-Network)<br>• studies, analyses, technical guides and other types of resources related to agriculture. | | X | Burkina Faso, Mali, Niger, Senegal |
| | Gender and Climate Solutions<br>• technical, non-technical and transformational solutions on gender and climate for different sectors. | X | X | Several |
| | Country Environment Profiles<br>• several country environmental profiles are available (updates required);<br>• DG DEVCO has formulated ToR for a National Environmental Profile for guidance to facilitate the development, revision or updating of a National Environmental Profile. | | X | Several |
| | Training manual on gender and climate change (IUCN, UNDP, etc.). | X | X | |
| *Mainstreaming* the theme (logical framework, DAC markers, M&E, budgeting) | Guide "Leveraging co-benefits between gender equality and climate action for sustainable development" (UN Women)<br>• gender equality and climate change;<br>• gender equality and climate finance;<br>• gender mainstreaming in the project cycle. | | | |
| | Guidebook "Mainstreaming Gender in Green Climate Fund Projects" (GCF, UN Women)<br>• mainstreaming in the project cycle;<br>• gender analysis;<br>• gender-sensitive results framework;<br>• monitoring and evaluation. | X | X | |

| | | | | |
|---|---|---|---|---|
| | Toolbox (Climate Service Center Germany)<br>• toolkit for cities;<br>• business toolkit;<br>• toolkit for regional modelling. | | X | |
| | Green Toolkit (AIDS)<br>Development of several tools and guides to facilitate the assessment and implementation of the environment and climate change perspective in AIDS operations (concepts and definition; linkages between Env/CC and other themes (gender; conflicts...) and sectors; support to Env/CC dialogue...). | | X | |
| Screening of risks and/or impacts | NA GAIN<br>The country's ND-GAIN score is composed of a vulnerability score and a preparedness score. Vulnerability measures a country's exposure, sensitivity and adaptive capacity to the negative impact of climate change. ND-GAIN measures overall vulnerability by taking into account vulnerability in six key life sectors: food, water, health, ecosystem services, human habitat and infrastructure. | | X | |
| | EM-DAT (Centre for Research on the Epidemiology of Disasters (CRED), WHO)<br>• database of over 22,000 mass disasters worldwide from 1900 to the present. | | X | Several |
| | Global Climate Risk Index (Germanwatch)<br>• The Global Climate Risk Index, published annually, analyses the extent to which countries have been affected by the impacts of climate-related events (storms, floods, heat waves, etc.). | | X | Several |
| | Think Hazard<br>• gives the level of climate risk per country/region based on historical data;<br>• a text gives qualitative future trends on the basis. | | X | Several |
| | Climate Risk Country Fact Sheets (USAID)<br>Or: Potsdam Institute for Climate Impact Research (PIK) and publications / country profiles | | X | |
| | Fact-sheets (Climate Service Center Germany)<br>• provides climate projections on various parameters. | | X | |
| | Impact2C web-atlas<br>• summarises in maps and text the impact of a 2°C warming on climate, tourism, energy and health (many sub-elements of these headings). | | | Luxembourg |
| | Aqueduct \| World Resources Institute (wri.org)<br>• mapping of water stress and especially the evolution of this stress under the effect of CC. | | X | Several |
| | Climate Change Knowledge Portal (World Bank)<br>• provides global data on historical and future climate, vulnerabilities and impacts. Explore them via country and watershed views. Access synthesised country profiles to better understand climate risks and adaptation measures. | | X | Several |
| | DESINVENTAR Sendai (UNDRR)<br>• detailed disaster loss data for over 89 countries. | | X | Several |

| | | | | |
|---|---|---|---|---|
| | INFORM (Joint Research Centre, EU Commission)<br>• global risk assessment for humanitarian crises and disasters;<br>• you can find country-specific information on hazards, vulnerabilities and risks. | | X | Several |
| | Country profiles (Convention on biological diversity, CBD) | | X | Several |
| | AGAIN (UNEP WCMW)<br>• a tool that shows how economic activities depend on and impact on nature, and how these dependencies and potential impacts may represent a risk. | | X | |
| | SEVIR (USAID, NASA, etc.)<br>• a regional visualization and monitoring system for Mesoamerica and Africa that integrates satellite and other geospatial data to improve scientific knowledge and decision making. | | X | |
| | Ci grasp (Potsdam Institute for Climate Impact Research (PIK), GIZ)<br>• solid information base on climate stimuli, climate impacts, vulnerabilities and response options in selected threshold countries. | | X | |
| | WeADAPT Climate Change Explorer (Stockholm Environment Institute (SEI)<br>• The Climate Change Explorer provides users with an analytical basis from which to explore climate variables relevant to their particular adaptation decisions. | | X | |
| | PRECIS (Met Office Hadley Centre)<br>• the range of gridded data of meteorological variables used for climate monitoring and modelling. | | X | |

## 2. Online training courses

| Resources | Gender | Env/CC |
|---|---|---|
| MOOC Gender and Development (AfD)<br>• it contains a chapter on “The role of women and girls in sustainable development and the fight against climate change”. | X | X |
| MOOC - StudiesGender (University of Geneva)<br>• gender from a social science research perspective (not focused on gender & development issues). | X | |
| Ecosystem Restoration (UNDP, CBD, etc.)<br>• acquire the skills needed to create an ecosystem restoration plan. | | X |
| Using space data for biodiversity (UNDP, NASA, etc.)<br>• learn how to use the UN Biodiversity Laboratory to visualise and analyse spatial data. | | X |
| Green entrepreneurship (UNDP, CBD etc)<br>• this course will provide a step-by-step framework for turning a green business idea into a viable business plan. | | X |
| Training on green bonds (UNDP, etc.)<br>• learn more about the green bond issuance process and its requirements;<br>• understand the opportunities offered by green bonds to achieve the SDG and NDC goals. | | X |

| | | |
|---|---|---|
| Nature-based solutions for sustainable development (UNDP, etc.)<br>• identify the starting point for integrating nature-based solutions into national water plans;<br>• understand how nature-based solutions can improve countries' NDCs. | | X |
| Development and management of peace parks (UNDP, etc.)<br>• acquisition of practical tools to deal with the field issues related to the development and management of peace parks. | | X |
| Protected Areas and Sustainable Development (UNDP, etc.)<br>• understand the basic principles of managing protected areas for ecosystem services;<br>• to observe the relationship between protected areas and food and water security, disaster risk reduction, health, climate change, jobs, livelihoods and poverty reduction. | | X |
| Learning for Nature is a leading e-learning programme offered by UNDP in partnership with a variety of organisations in the field of biodiversity conservation and sustainable development.<br>Among others: Sustainable Supply Chains.<br>(Note: prior creation of a user account is required) | | X |
| Gender equality, women's empowerment and leadership in the context of national biodiversity planning and reporting (UNDP)<br>• identify opportunities for women's leadership in the development and implementation of NBSAPs;<br>• learn methods to overcome barriers to women's effective participation in biodiversity conservation planning and reporting activities;<br>• Identify strategies to strengthen institutional capacity to mainstream gender equality and women's empowerment;<br>• identify measures that lead to biodiversity by addressing gender equality issues. | X | X |
| Biodiversity funding (UNDP, etc.)<br>• introduction to biodiversity finance;<br>• policy and institutional review of biodiversity financing;<br>• review of biodiversity spending;<br>• assessment of financial needs for biodiversity;<br>• Biodiversity funding plan. | | X |
| Climate change planning in African cities | | X |
| The health effects of climate change (Harvard) | | X |
| MOOC Biodiversity (UVED) | | X |
| MOOC Education for the Environment and Sustainable Development (UVED) | | X |
| MOOC Causes and Challenges of Climate Change (UVED) | | X |
| Disaster risk management (Red Cross)<br>• vulnerability and capacity assessments;<br>• the health effects of disasters;<br>• protection, gender and inclusion. | X | X |

For more MOOCs, please visit e.g. EdX, Coursera, Learning for Nature, Environment and Sustainable Development Virtual University, My MOOC etc.

# ENVIRONMENTAL, SOCIAL AND CLIMATE RISK SCREENING TOOL

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## TABLE OF ACRONYMS

| | |
|---|---|
| **ESIA** | Environmental and social impact assessment |
| **ESMP** | Environmental and social management plan |
| **E&S** | Environmental and social |
| **IFC** | International Finance Corporation |
| **PS** | Performance standards |
| **WB** | World Bank |

# 1. APPLICATION/INTRODUCTION

The screening procedure consists of four elements to be completed for each project at the formulation stage. Depending on the results of the screening for potential Environmental and Social (E&S) impacts and climate risks, more in-depth assessments may be required. For more details on the objectives and content of LuxDev's E&S policy and the screening procedure, please refer to the operational guide "Integration of environmental and climate change issues" - EXP_4.

The **four elements** to be followed for the screening are:

- basic information about the project;
- screening of E&S impacts;
- screening of climate risks;
- summary of the screening results.

## 1.1. Instructions for the environmental and social impact screening

As a reminder, LuxDev adopts the World Bank (WB) Group's current E&S standards and **Performance Standards** (PS) for its E&S risk management policy. The eight PS can be divided into two parts:

- **PS 1** deals with the E&S management system, which is based on a dynamic and continuous process, initiated, and supported by the project implementation team and involving the commitment of all stakeholders involved in the project. This system involves the development of an Environmental and Social Management Plan (ESMP) that identifies E&S risk mitigation measures and defines how they will be implemented (responsibilities, allocated budget, implementation, and monitoring schedule, etc.);
- **PS 2 to 8** set out minimum requirements for avoiding adverse E&S impacts in different areas, or for reducing or appropriately compensating for them where impacts are unavoidable.

Despite the order, PS 1 only applies to Category A projects that require an Environmental and Social Impact Assessment (ESIA), which must include the definition of an ESMP. Screening therefore involves first assessing the potential E&S risks and impacts against PS 2 to 8.

Following the E&S impact screening, the project proposal will be classified into one of the following three categories, which will determine the level of study required:

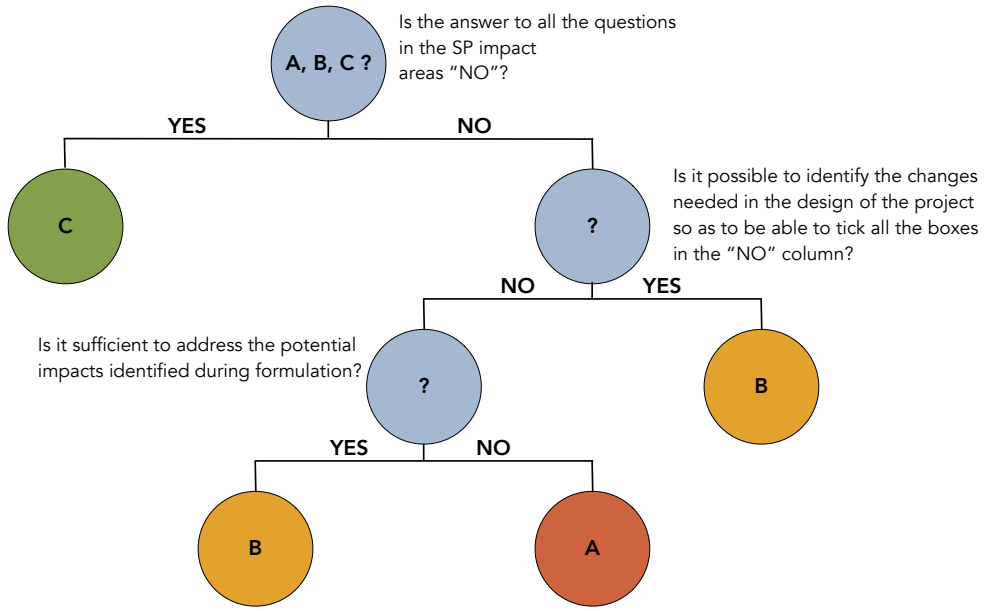
- **category A:** projects with significant potential adverse E&S risks and/or impacts[1] that are diverse, irreversible, or unprecedented;
- **category B:** projects with limited E&S risks and/or negative impacts, few, generally site-specific, largely reversible, and easily addressed by mitigation measures;
- **category C:** projects with minimal or negligible risks and/or negative E&S impacts.

The screening of E&S impacts is carried out in the following four steps:

- answer YES, NO or "?" (don't know) to key questions regarding the different impact areas (which correspond to the WB PS);
- if the answer to all the PS questions is negative, the project falls into category C and no further screening is required. If the answer to one or more questions is positive or "?", go to the next step;

1 The significance of impacts can be estimated according to their likelihood and severity. Reference can be made to the International Finance Corporation (IFC) guidelines for categorising the significance of a project's potential negative impact (Interpretation Note on Categorisation, IFC).

- judge whether at this stage it is possible to identify the measures or changes needed in the design of the project, so that all the boxes in the "NO" column can be ticked. If this is the case, the project falls into Category B and no further steps are required. If this is not the case, go to the next step;
- judge whether, based on the number of impacts identified and their potential severity, these issues can be satisfactorily addressed during formulation. If the answer is "YES", the project does not require a full ESIA (and thus falls into category B), but the E&S aspects will need to be addressed during formulation. If the answer is "NO", the project falls into category A and requires an ESIA that will need to address the requirements set out in PS 1[2].




Decision tree for categorising the E&S impacts of a project

### 1.2. Instructions for the climate risks screening

The climate risk quick scan is used to assess whether a project is potentially at risk due to climate variability and change and/or natural (hydro-meteorological) hazards.

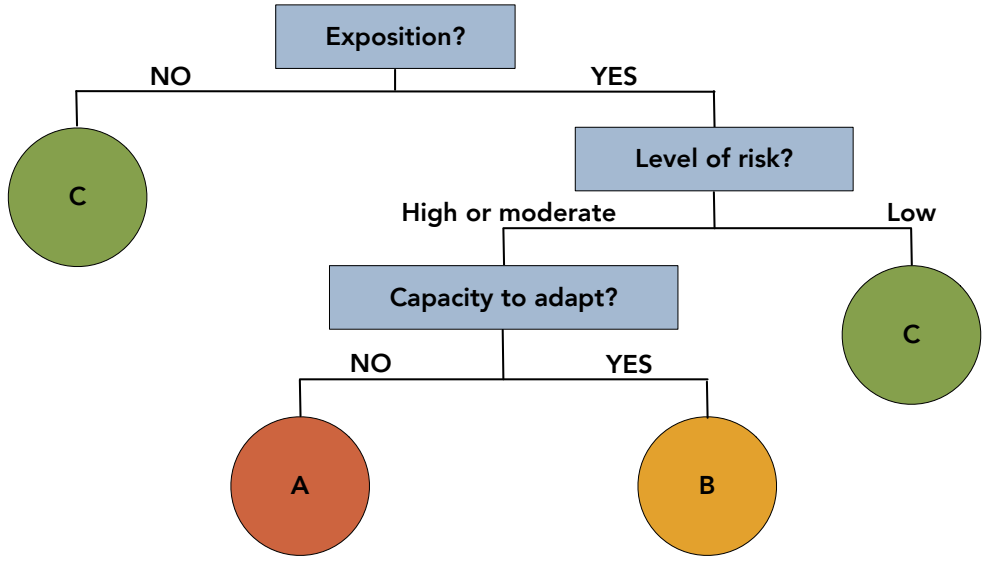
Following the climate risk screening, the project proposal will be classified into one of the following three categories, which will determine the level of study required: **A = high climate risk; B = medium climate risk; C = low climate risk.**

The screening of climate risks is carried out in the following three steps:

- answer "YES" or "NO" to the questions concerning the geographical location and type of activity of the project, to briefly assess the exposure of the project to climatic and natural risks. If the answer to all questions is negative, the project is not exposed and falls into category C, and no further screening is required. If the answer to one or more questions is positive, proceed to the next step;
- identify and assess at this stage the hazards and climatic events to which the project is exposed, and for each of the hazards identified, the level of potential risk to the project activities (based on the probability of occurrence of the hazard and the severity of the associated impacts). For hazards with a low level of risk, no further screening is required (category C project). For hazards with a moderate, high or unknown (?) level of risk, proceed to the next step;

[2] The project is classified as Category A, B or C in each of the seven impact areas. However, please note that only one ESIA covering all identified impact areas is required, not several.

- judge whether, based on the existing local adaptive capacities of the project partners, the issue of climate risks can be addressed during formulation in a satisfactory manner. If the answer is "yes", the project does not require an in-depth climate risk assessment (and thus falls under category B), but these aspects will need to be addressed during formulation in order to identify adequate risk mitigation measures (reduction of exposure and/or potential impact of a climate hazard/event). If the answer is "no", the project falls into category A and requires an ad hoc in-depth climate risk assessment (which could possibly be integrated into the ESIA if such a study is also required for the same project).




Decision tree for categorising climate and natural hazards

Delete pages 2 to 6 before submitting/printing the form.

## 2. RISK SCREENING

### 2.1. Basic information

| | |
|---|---|
| Project code and title: | |
| Budget (EUR)[3]: | |
| Duration: | |
| Provisional start date: | |
| Sector(s): | |
| Location: | |
| Project description (summary of planned activities with potential environmental, social and/or climate impact): | |
| | |

[3] If the constructions exceed an anticipated budget of EUR 500,000, they qualify the project for a LuxDev green procurement procedure: "Call for Expressions of Interest (EOI) for the Acquisition of Design Services for Sustainable Constructions" - ACQ_42, "Green" TD for Service Design Management Service - ACQ_43, "Green" Works TD - ACQ_44).

## 3. SCREENING OF ENVIRONMENTAL AND SOCIAL IMPACTS

| Step 1 | **Consider the following questions to assess whether the project is likely to have significant (negative) impacts on the following areas (PS 2 to 8).**<br>Answer "?" if you do not have a precise answer. Tick only one box per question and then go to step 2. If necessary, call on environmental services/expertise. | | | | |
|---|---|---|---|---|---|
| **PS 2: Labour and working conditions[4]** | | **YES** | **?** | **NO** | **Comment** |
| | **Protection, safety, and health of workers:** is there a risk that the intervention will deteriorate the protection, safety and health of workers, including vulnerable groups? | | | | |
| | **Fair treatment, non-discrimination, and equal opportunities:** is there a risk of further marginalisation and increased vulnerability of those affected by the project (directly and indirectly)? | | | | |
| | **Forced labour:** is there a risk that the intervention will contribute to forced labour? | | | | |
| | **Prostitution and sexually transmitted diseases:** is the construction site (depending on the scale and duration of the work) likely to contribute to the development of prostitution and sexually transmitted diseases? | | | | |
| **PS 3: Resource efficiency and pollution prevention[5]** | | **YES** | **?** | **NO** | **Comment** |
| | **Consumption**: does the project require (during or after implementation) large quantities of water, energy, materials, or other natural resources? | | | | |
| | **Emission of pollutants**: will the project produce significant volumes of effluents or air or water pollutants, including greenhouse gases? | | | | |
| | **Hazardous chemicals and fertilisers**: will the project make significant use of fertilizers, pesticides, or other chemicals? | | | | |
| | **Waste**: will the project lead to the generation of significant quantities of waste? In particular, hazardous or toxic waste? | | | | |
| | **Nuisances:** will the project be likely to produce significant nuisances such as air pollution, noise, vibrations, or odours? | | | | |

4 The objective is to protect the fundamental rights of workers, ensuring fair treatment and safe and healthy working conditions, and to ensure compliance with national employment laws. The full list of objectives for all PS can be found here).

5 The aim is to minimise pollution from project activities and to promote a more sustainable use of natural resources.

| PS 4: Health, safety, and security of communities[6] | | YES | ? | NO | Comment |
|---|---|---|---|---|---|
| | **Works**: does the project involve direct or indirect risks to human health and/or safety (which could result from activities related to the intervention, such as construction, use of equipment, transport, storage, pollution and use or disposal of hazardous materials or waste)? | | | | |
| | **Diseases and infections**: is there a risk of increased health risks to stakeholders and beneficiaries of the intervention, for example due to exposure to waterborne or water-related diseases and communicable infections? | | | | |
| | **Natural disasters:** does the project lead to increased vulnerability to earthquakes, collapses, landslides, erosion, floods, or extreme weather events? | | | | |
| | **Compliance with labour standards**: does the project involve support for employment or income-generating activities that may not comply with national and international labour standards? | | | | |
| **PS 5: Land acquisition and involuntary resettlement[7]** | | **YES** | **?** | **NO** | **Comment** |
| | **Physical displacement of communities and economic activities**: will the project encourage the (temporary or permanent) relocation of communities or important economic activities? | | | | |
| | **Forced displacement**: is there a risk that the project will involve forced physical displacement? | | | | |
| | **Community property**: will the project affect (negatively) community land tenure arrangements and/or property rights/customary rights to land, territories and/or resources? | | | | |
| | **Information and consultation**: does the project imply a risk that relevant stakeholders, i.e. marginalised/vulnerable individuals, or groups, will not be involved in information and consultation processes related to the land? | | | | |

6 The objective is to anticipate, avoid or reduce negative impacts on the health and safety of the community(ies) potentially exposed by the project activities.

7 The aim is to avoid any physical or economic displacement by exploring alternative project designs, or where avoidance is not possible, to minimise the impact of such displacement on affected people and communities by taking appropriate measures (such as fair compensation and improved livelihoods and living conditions).

| PS 6: Biodiversity conservation and sustainable natural resource management8 | | YES | ? | NO | Comment |
|---|---|---|---|---|---|
| | **Endangered species**: do intervention activities pose risks to endangered/threatened species? | | | | |
| | **Protected areas and "fragile" ecosystems**: could the project significantly (and adversely) affect protected areas or 'fragile' ecosystems, such as natural forests, wetlands, coral reefs, or mangroves? | | | | |
| | **Invasive species**: does the project involve the introduction of genetically modified organisms or invasive alien species? | | | | |
| | **Land degradation**: is the project likely to cause significant land degradation (through desertification, deforestation, erosion, or inappropriate land use for grazing), given its activities and location on steep slopes or vulnerable soils? | | | | |
| | **Land conversion:** does the project require the acquisition or conversion of large areas of land that are important for the provision of ecosystem services? | | | | |
| | **Genetic resources:** is the project likely to involve the use of genetic resources (e.g. collection and/or harvesting, commercial development of natural resources)? | | | | |
| | **Use of natural resources:** will the project generate changes in lifestyles (e.g. economic, policy or sectoral initiatives, including taxation or production/consumption subsidies) that may increase pressure on natural resources and the environment? | | | | |
| | **Sharing of natural resources:** does the project risk affecting the fair and equitable sharing of natural resources and their benefits? | | | | |

8 The objective is to avoid or mitigate threats to biodiversity and ecosystem services posed by project activities and to promote the sustainable and equitable use of natural resources.

| PS 7: Indigenous people[9] | | YES | ? | NO | Comment |
|---|---|---|---|---|---|
| | **Risks to indigenous peoples**: does the project affect (in a negative way) the human rights, land, natural resources, traditional livelihoods, and culture of indigenous people? | | | | |
| | **Principle of prior consent**: is there a risk that the principle of free, prior, and informed consent on matters affecting them will not be applied? | | | | |
| | Indigenous populations | YES | ? | NO | Comment |
| | **Information, consultation, and participation**: does the project risk excluding indigenous peoples (particularly indigenous women) and other marginalised groups from being informed, consulted, and fully participating in decisions that may affect them? | | | | |
| | **Use of land claimed by indigenous people**: is there a risk that the intervention will involve the use and/or commercial development of natural resources on land claimed by indigenous people (against their will)? | | | | |
| | **Culture, knowledge, and practices**: is the project likely to affect (negatively) the culture, knowledge and practices of indigenous people? | | | | |
| PS 8: Cultural heritage[10] | | YES | ? | NO | Comment |
| | **Impact on cultural assets or places**: is the project likely to have negative impacts on sites, structures, or objects of historical, cultural, artistic, traditional, or religious value, or intangible forms of culture (e.g. knowledge, innovations, practices)? | | | | |
| | **Equal access to cultural heritage**: will the project result in limited access to cultural heritage sites for some stakeholders, particularly marginalised and vulnerable people, including women's groups? | | | | |
| | **Sharing of benefits related to cultural goods or places:** is there a risk that some project stakeholders, in particular marginalised and vulnerable people, including women, are excluded from sharing the benefits of using tangible and/or intangible forms of cultural heritage? | | | | |

9 The aim is to anticipate and avoid negative impacts of projects on indigenous peoples' communities or, where avoidance is not possible, to minimise and/or compensate for such impacts. This includes ensuring that project activities respect the identity, culture and natural resource-based livelihoods of indigenous people and reduce their exposure to poverty and disease.

10 The aim is to avoid any negative impact of the project activities on the cultural heritage.

| | | | |
|---|---|---|---|
| Step 2 | Have all the boxes in the "NO" column been ticked? | YES | The project does not require an ESIA.<br>[Category C project] |
| | | NO | Go to step 3 |

| | | | |
|---|---|---|---|
| Step 3 | At this stage, can mitigation measures or changes to the project design be identified so that all the boxes in the "NO" column can be ticked? | YES | The project does not require an ESIA, but its design should be adapted and/or E&S risk mitigation measures defined.<br>[Category B project] |
| | | NO | Go to step 4 |

| | | | |
|---|---|---|---|
| Step 4 | Is the significance of potential negative impacts, assuming they can be estimated[11], low enough to be taken into account in project formulation? | YES | The project does not require a full ESIA, but its E&S aspects will need to be addressed during formulation. |
| | | NO | The project requires an ESIA and must align with the requirements of PS 1.<br>[Category A project]<br>Go to step 5 |

| | |
|---|---|
| Step 5 | **If an ESIA is required, consider the following questions to assess whether it includes all the key elements.**<br>If any of the questions are answered in the negative, a revised ESIA incorporating the missing elements will be required, so that all boxes in the "YES" column can be ticked.<br>If necessary, please refer to the terms of reference for the recruitment of an external consultant for the conduct of an ESIA (annexed to LuxDev's operational guide for the integration of environmental and climate change issues (EXP_4)). |

| PS 1: Assessment and management of environmental and social risks and impacts | | YES | NO | Comment |
|---|---|---|---|---|
| | Does the ESIA identify and assess all E&S risks? | | | |
| | Does the ESIA include mitigation measures? | | | |
| | Does the ESIA develop a project wide ESMP? | | | |
| | Does the ESIA engage affected communities or other stakeholders? | | | |
| | Does the ESIA establish a communication and complaints mechanism (at project and entity level)? | | | |

11 If the importance cannot be estimated, the project is automatically classified as category A.

## 4. SCREENING FOR CLIMATE RISKS

| Step 1 | Exhibition of the project | YES | NO |
|---|---|---|---|
| | **Will the project activities be located in any of the following geographical areas considered to be particularly vulnerable to the effects of climate variability and change?**<br>If the answer is "yes", select the relevant geographical area(s): | | |
| | • arid or semi-arid; | | |
| | • tundra; | | |
| | • fragile ecosystems including areas rich in biodiversity, marginal agro-ecosystems, mountainous ecosystems with areas dependent on glacier water, etc.; | | |
| | • small island countries; | | |
| | • low-lying coastal areas; | | |
| | • deltaic areas and flood zones. | | |
| | **Will the project include activities in at least one of the following areas of cooperation considered to be particularly vulnerable to the effects of climate variability and change?**<br>If the answer is "yes", select the relevant area(s): | | |
| | • environment and sustainable management of natural resources, including forestry and biodiversity; | | |
| | • infrastructure and transport, including urban development and waste treatment; | | |
| | • water and energy, including supply and management; | | |
| | • rural development, spatial planning, agriculture, and food security; | | |
| | • health. | | |

| Step 2 | Hazards and climatic events |
|---|---|
| | **What are the hazards and climatic events to which the project activities are exposed?**<br>To identify hazards, identify whether similar climate events have occurred in the past, and use data available online[12], including from the WB, on regional/country exposure to hydro-meteorological events (e.g. ThinkHazard), and on current and future climate observations (Climate Knowledge Portal).<br>**And what are the potential consequences for project activities if these hazards occur?**<br>To assess the level of risk to the project **for each of the identified hazards**, refer to **Figure n°1** below, which combines the probability of the hazard and the severity of the associated impacts on the project. Estimate the probability of the hazard occurring based on past events and future trends. The probability of occurrence of extreme events can be classified as follows: 'unlikely' (once in a lifetime, i.e. 80-100 years), "likely" (once in a generation, i.e. 20-30 years), "very likely" (very few years, i.e. less than 10 years). In the case of gradual changes such as the increase in average temperature, the probability refers to the magnitude of the change: limited = unlikely, moderate = likely, large = very likely.<br>Also estimate the severity of the potential consequences associated with this hazard on project activities. For example, the severity of a drought could be "slightly damaging" (agricultural crop little affected), "damaging" (crop substantially affected) or "extremely damaging" (crop destroyed). |

| Climate variability and change | YES | ? | NO | Level of risk (low, moderate, high) | Comment |
|---|---|---|---|---|---|
| General trends of increasing or decreasing average annual temperatures. | | | | | |
| General trend of increasing or decreasing average precipitation. | | | | | |
| Changes in the frequency and intensity of extreme weather events (cold and heat waves, floods, drought, storms, hurricanes, cyclones). | | | | | |
| Sea level rise and increased coastal erosion. | | | | | |
| Acceleration of desertification and soil erosion processes. | | | | | |

12 Other potential sources are: national environmental reports and national communications under environmental conventions, e.g. https://www.cbd.int/countries/; Germanwatch Global Climate Risk Index http://germanwatch.org/en/cri; http://unfccc.int/national_reports/non-annex_i_natcom/submitted_natcom/items/653.php.

| Natural risks (hydrometeorological) | | YES | ? | NO | Level of risk (low, moderate, high) | Comment |
|---|---|---|---|---|---|---|
| | Heat waves | | | | | |
| | Extreme cold | | | | | |
| | Drought | | | | | |
| | Storms, tornadoes, hurricanes, high winds, sandstorms, etc. | | | | | |
| | Floods, landslides | | | | | |
| | Forest/bush fires | | | | | |

| Severity / Probability | Slightly harmful | Harmful | Extremely harmful |
|---|---|---|---|
| Very likely | | | |
| Likely | | | |
| Improbable | | | |

*Figure 1: Level of risk associated with a hazard* Low Moderate High

| Step 3 | Adaptability | YES | ? | NO | Comment |
|---|---|---|---|---|---|
| | This step aims to assess the existing adaptive capacities at the local level to deal with the climate risks identified in the previous phases.<br>In case of positive answers, the climate risk analysis can be integrated into the project formulation study. If the answer to any of the questions is "no" or "?", an in-depth assessment of the identified climate risks will be required at the latest in the launch phase of the project.<br>[1] To identify existing adaptive capacity, use data available online, such as the Country Index ND-GAIN[13] which summarises a country's vulnerability to climate change, as well as its capacity to improve its resilience. The vulnerability dimension thus includes information on exposure, sensitivity, and adaptive capacity. | | | | |
| | Are the project partners aware of and have the capacity to deal with climate risks? For example:<br>• capacity development activities, policies/plans/strategies, resources committed;<br>• institutional arrangements, coordination with partners, green procurement procedures, etc.<br>**If necessary, identify measures to raise the awareness of partners.** | | | | |
| | Are there any existing/planned programmes or policies for adaptation/climate risk management that can contribute to climate risk mitigation in the project?<br>For example:<br>• early warning systems, prevention, and preparedness plans for natural disasters;<br>• national action programmes for adaptation to climate change;<br>• nationally adapted mitigation actions;<br>• credit/insurance for the most vulnerable, etc.<br>**If necessary, identify ways to overcome these obstacles.** | | | | |

13 The Notre Dame Global Adaptation Initiative (ND-GAIN) produces a country index that uses two decades of data on 45 indicators to rank 181 countries each year according to their vulnerability and adaptive capacity. https://gain.nd.edu/our-work/country-index/rankings/

## 5. SUMMARY OF SCREENING RESULTS

*(To be attached to the formulation proposal)*

| **Result of the environmental impact screening** *(tick as appropriate)* |
|---|
| □ Category A project: an ESIA will be carried out<br>□ Category B project: identified E&S aspects will be addressed in the formulation study<br>□ Category C project: no need for further assessment |
| *Briefly explain the basis on which this decision was taken. If additional assessments are to be carried out during formulation, or at the latest during the inception phase, briefly describe the main aspects to be addressed.* |
| **Result of the climate risk screening** *(tick as appropriate)* |
| □ Category A project: an ad hoc in-depth climate risk study is carried out (or possibly integrated with the ESIA if such a study is also required)<br>□ Category B project: the vulnerability of the project to climate risks will be addressed in the formulation study<br>□ Category C project: no need for further assessment |
| *Briefly explain the basis on which this decision was taken. If additional assessments are to be carried out during formulation, briefly describe the main aspects to be addressed.* |
| **Roles, responsibilities, and next steps** |
| Person(s) responsible for next steps: |
| Provisional timeline for next steps: |

| National counterpart | Head of the formulation team | Environment and climate change expert LuxDev |
|---|---|---|
| Approved: | Approved: | Approved: |
| Date: | Date: | Date: |