

MANUAL

Manual Environmental and Social Impact Management



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Imprint

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List of abbreviations

ADA	Austrian Development Agency
ADC	Austrian Development Cooperation
BPfA	Beijing Platform for Action
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CITES	Convention on International Trade in Endangered Species or Wild Fauna and Flora
CSO	Civil Society Organisation
DAC	Development Assistance Committee
DC Act	Austrian Federal Act on Development Cooperation
EDFI	European Development Finance Institutions
EU	European Union
ESIMM	Environmental and Social Impact Management Manual
FDF	Austrian Foreign Disaster Fund
FMEIA	Federal Ministry for Europe, Integration and Foreign Affairs
GMO	Genetically modified organism
HCV	High Conservation Values
IFC	International Finance Corporation
ILO	International Labour Organization
INCAF	International Network on Conflict and Fragility
MDG	Millennium Development Goals
NGO	Non-Governmental Organisation
OECD	Organization for Economic Co-operation and Development
OSCE	Organization for Security and Co-operation in Europe
PCB	Polychlorinated Biphenyl
POP	Persistent Organic Pollutant
PRSP	Poverty Reduction Strategy Papers
SDG	Sustainable Development Goals
SEA	Strategic environmental assessments
SLA	Sustainable livelihood approach
UN	United Nations
UNSC	United Nations Security Council
UNWOMEN	United Nations Entity for Gender Equality and the Empowerment of Women
WHO	World Health Organisation

1. Purpose and scope

This Environmental and Social Impact Management Manual (ESIMM) describes overarching policies and project-level standards governing the Austrian Development Agency's (ADA) environmental and social impact management, as well as the system and processes for their delivery. It primarily draws together ADA guidelines and policy documents relevant to the subject, and serves as a manual for staff as well as project partners.

The ESIMM's aim is to assist applicants and ADA staff in developing interventions that go in line with ADA's environmental and social standards where environmental and/or social risks which may stem from the intervention are identified and addressed accordingly. The ESIMM applies to all interventions in developing countries funded by ADA.

2. Overarching policies and principles

The policy framework for ADA's environmental and social impact management is set by ministerial policies for cross-cutting issues of Austria's Development Cooperation (ADC) and based on the requirements of the Austrian Development Cooperation Act (DC Act). These cross-cutting issues (poverty reduction, gender, environment, good governance and human rights, conflict prevention) have to be mainstreamed in programming-, planning- and monitoring processes as well as in policy dialogue at various levels.

2.1 Poverty reduction

Introduction

Poverty reduction is the central objective and the immediate challenge of international development cooperation. Poverty reduction is one of the three objectives of the Austrian Development Cooperation Act and ADC has defined poverty reduction as the political primary goal and as essential cross-cutting issue. Preferential support is granted to particularly disadvantaged population groups and to discriminated members of society. Interventions funded by ADA must be adapted to existing local or regional development plans as well as to relevant national Poverty Reduction Strategy Papers (PRSP) and contribute to global objectives, especially the future sustainable development goals (SDGs).

Policies and Principles

– Taking into account the complexity and multi-dimensionality of poverty

Poverty is nowadays understood as a highly complex and multidimensional phenomenon. Accordingly, ADC follows an extended approach, which no longer refers only to resources but particularly to the concrete livelihood conditions of poor, disadvantaged and vulnerable people. It is therefore necessary to consider the strong interdependencies between the different poverty dimensions: development of economic capabilities, articulation of political interest, satisfaction of basic human needs, protection from vulnerability and security and consideration of socio-cultural factors. Likewise interrelations with gender, environment and good governance are taken into due account.

The consideration of these poverty dimensions requires the use of integrated, systematic and interdisciplinary methods and approaches as well as the inclusive participation of all actors within the discourse.

ADA's policy and principles in the field of poverty reduction are described in the policy document available on the ADC webpage http://www.entwicklung.at/upload/media/PD_Poverty_Dec2009_01.pdf

- **Pro-poor growth**
A poverty-oriented policy consists of three essential elements: economic revival as basic requirement, increased equality in development opportunities as well as fair and equal distribution. ADC explicitly acknowledges a policy of positive discrimination in favour of the poor, marginalized and vulnerable. ADC funds thus should be primarily reserved for interventions with focus on regions, where the poor live as well as on sectors, on which the poor are dependent for sustaining their livelihoods.
- **Provision of social services**
Adequate nutrition and clean water, education and health care, income and employment are indispensable for human development. Poverty reduction will be accomplished, when access to and benefit of the respective facilities and services is equally distributed among each population group within a society. Priority is given to those measures, which aim to ensure adequate and balanced nutrition, the availability of clean water and an effective sanitation system. Another essential component of a comprehensive development concept is the broad promotion of education and public health systems along with access to and affordability of their services for all population groups.
- **Political participation and empowerment**
ADC promotes the integration of poor, disadvantaged and discriminated population groups into existing socio-economic systems and ongoing political processes. Social, economic and political empowerment, especially of the poor, marginalised and vulnerable is crucial in this respect. Local people are thus enabled to participate in political decision-making processes and to contribute to the problem-solutions. Promotion of decentralization processes, contributing to the reduction of regional and social inequalities, as well as strengthening of local structures and institutions is also highly relevant.
- **Social protection**
ADC is committed to the strengthening and adaptation of traditional social protection systems (family, household) as well as to the improvement of existing precautionary measures (by targeted measures addressing issues such as harvest losses and storage management, but also saving schemes). Furthermore, given the impacts of climate change as well as other threats, adequate instruments for risk minimization are to be considered, which should be based on real livelihood conditions.
- **Sustainability**
Besides providing tangible support, sustainability requires that affected people must be assisted in accomplishing their own objectives and to increase their own contributions. They must be empowered to take control of their own livelihoods in all facets. Sustainable improvement of livelihoods does not only require improvements of livelihood conditions, but foremost to address the root causes of poverty and inequality.
- **Capacity development**
For ADC, self-responsibility and real effective participation of all population groups is equally important with economic growth as well as equal access, distribution and livelihood opportunities. This requires strengthening of capabilities and problem solving competences of all actors and institutions to be addressed in all interventions.
- **Process- and results orientation**
Projects and programmes have to be continuously assessed concerning their concrete results and effectiveness in order to verify progress and successes of interventions, to

identify adverse developments at an early stage, and to be able to make use of specific findings in the future. In this respect it has to be kept in mind that in the framework of poverty reduction there are neither best practices (ideal cases) nor “everlasting truths”. One is generally confronted with particular problem situations, the potentials of the people concerned and specific approaches for solving the problem.

2.2 Gender equality and empowerment of women

Introduction

The specific aims of Austrian development policy – poverty reduction, maintaining peace and human security, and preserving the environment and protecting natural resources – have a strong gender dimension. Without gender equality poverty cannot be prevented or reduced and peace and freedom from violence cannot be assured. Environmental protection also has an important gender aspect: women and men often have different needs and interests regarding the use and conservation of natural resources. Gender equality is thus an underlying principle throughout ADC policy goals.

A definition of the ADC gender policy can be found in the policy document “Gender equality and empowerment of women” available on the ADC website http://www.entwicklung.at/uploads/media/PD_Gender_Mar2010_01.pdf

Policies and Principles

- The ADC gender policy is designed to promote human development in the context of a **comprehensive human rights approach**. This involves the assertion of women’s rights/human rights by empowering the women concerned, creating economic and political opportunities and providing protection from violence so that gender equality and empowerment of women can be achieved at all levels and in all sectors of development policy and not just within the MDG framework.
- In accordance with the **coherence principle**, foreign trade companies and the ministries involved in development cooperation are requested to orient their programmes to these gender guidelines.
- ADC supports the UN initiatives for **gender mainstreaming** of the policies of all its bodies and special organisations, supports UNWOMEN and calls for an increase in the status of CEDAW and the BPfA in all committees and at international conferences and negotiations.
- ADC supports the World Bank strategy for **including gender equality in loans, resources and the participation of women** – in the World Bank itself and within the programme and project policy – and is committed to intensifying and strengthening gender quality, particularly with regard to a gender focus in the social security systems.
- The ADC gender policy in partner countries calls for **gender-sensitive implementation of national development and/or poverty reduction policies and strategies** (PRS) and encourages state institutions for example to set up a women’s ministry/ministry for gender equality, a gender office/gender focal points in ministries for all other sectors and the integration of women’s organisations in all development policy planning. It recommends that transparent planning procedures (including gender budgeting as a model) and results-based accountability measures support gender equality goals.

- ADC supports and promotes the activities of the **OECD DAC Gendernet** and is guided by its recommendations. Practical collaboration occurs in commentaries on DAC policy papers and in drafting guidelines and methodologies.
- ADC is guided by the **EU’s Gender Equality Action plan I and II and the gender mainstreaming policy and the toolbox for development practice**. ADC endeavours to better introduce the principle of gender equality into the discussions in Council working groups so that new regulations affecting development policy as a whole are not gender-blind.
- ADC supports the OSCE in its activities to **counter trafficking in human beings**, in particular in the coordination of regional initiatives against trafficking in women and children in South-Eastern Europe.
- ADC monitors the discussions and initiatives of international feminist/women’s rights NGOs in the South and North as major actors with a signal function for development problems and achievements, and **supports networks in the South that promote gender equality**.

2.3 Environment

Introduction

ADA’s environmental policy and principles governed by the “Strategic Guideline on Environment & Development in Austrian Development Policy”, a whole-of-government policy available at http://www.entwicklung.at/uploads/media/Web_ADC_Leitfaden_Umwelt_Entwicklung_engl_01.pdf

Austria’s response to the challenges of environmental issues for development cooperation is based on the principles set out in the Federal Development Cooperation Act and the commitments made under the declarations of Rio and Johannesburg as well as other international accords. These include commitments to the precautionary and polluter-pays principle, replacing unsustainable production methods and consumer habits – also at home – or acting in partnership and taking account of the cultural and social setting of cooperation. Special attention is paid to gender equality and the empowerment of women, based on a gender mainstreaming strategy.

Policies and Principles

- **Harnessing synergies between environmental protection and poverty reduction**
Poverty and environmental degradation are often caused by the same institutional, political and social factors. By addressing these common causes, resource conservation can harness considerable synergies for poverty reduction.
- **Preventing adverse and maximising beneficial environmental impacts**
Important here are regional and situational analyses that examine both environmental factors and the possible interplay with the economic and social context. Similarly, impacts of development policy must be reflected within the realm of international environmental policy cooperation.
- **Adopting integrated, multi-sectoral approaches, wherever possible**
The environment interacts with economic and social factors. This calls for an integral approach that addresses different aspects of a problem at the same time. A good instrument for this is the sustainable livelihood approach (SLA).

- **Promoting local ownership and management of natural resources**
 Environmental protection can only succeed if it is actively implemented and supported by the population concerned, especially as local communities can draw on valuable traditional knowledge. This is why the participatory involvement of the population in decision-making and capacity development for and partnership with efficient local administrations and civil-society organisations are important. Particular emphasis is placed on supporting women in political and social life. They are major custodians of environmental knowledge and key actors when it comes to changes in natural resource management.
- **Advocating the integration of environmental protection in national development plans**
 The most effective way to secure environmental protection and the sustainable use of natural resources in the long run is to embody these in national policies and programmes, above all in poverty reduction strategies and regional and local development plans. This ensures that environmental issues are accorded the highest policy status and links them more closely with economic and social development priorities.
- **Helping to raise awareness and develop capacity in environmental protection**
 Ensuring that development measures can make an effective contribution to the conservation and sustainable use of natural resources requires an adequate level of awareness, knowledge and access to information as well as adequate capacities in policy-making, administration and civil society.
- **Promoting a holistic approach to environmental goods and equitable sharing of the benefits of environmental protection**
 Rehabilitation measures are frequently more costly than sustainable resource conservation. However, effective precaution fails in part because policymakers, businessmen and society seldom grasp the full social and monetary value of environmental goods and services. An adequate level of awareness and enabling social and economic frameworks are often lacking to ensure the equitable participation of the local population in the benefits of natural resource protection and conservation, for example.
- **Engaging in international cooperation and contributing to implementing environmental conventions**
 The global scale of the environmental challenge calls for worldwide cooperation. The many international and regional environmental agreements, declarations and commitments attest to this precept, which calls for a systematic approach in the fight against environmental degradation. It also demands, however, that all countries can participate and take an equal part in shaping the global cooperation. By means of these multilateral agreements, Austria disposes over an entry-point to support this global system, as is required through them. Alignment with and/or support for implementing the agreements consequently make up a firm component of development cooperation strategies, programmes and projects.
- **Drawing on experience and know-how in Austrian society**
 Directly or indirectly, many Austrian non-governmental organisations, research institutions and companies are actively engaged in development policy at national and international level or support sustainable development in developing countries through their activities. They can draw on excellent know-how, experience and resources to make a major contribution to effective Austrian Development Cooperation. This potential needs to be harnessed and enhanced.

2.4 Human rights

Introduction

ADA's human rights policy and principles are based on the ADC "Human rights - policy document" available at http://www.entwicklung.at/uploads/media/PD_Human_rights_July_2011_02.pdf

Human rights are rights based on the inherent dignity of all individuals that enable them to fully develop their potential. This includes not only civil and political rights but also economic, social and cultural rights. All human rights are indivisible, universal and interdependent. Respect and realisation of human rights are of fundamental importance for the implementation of two of the three ADC priorities according to the Austrian Federal Development Cooperation Act (2002) (DC Act), namely poverty reduction and human security. At the centre of human security are dignity and material physical wellbeing including life expectancy, health, the rule of law and freedom from violence, and access to education and resources. Observance of human rights and the creation of human security are building blocks in the achievement of human development. In other words, human rights and human development are interdependent and mutually reinforcing.

Therefore, ADC applies a human rights based approach to development cooperation. This means that (1) all programs of development co-operation, should further the realization of human rights. (2) Human rights standards and principles guide all development cooperation and programming in all sectors and in all phases of the programming process. (3) Development cooperation contributes to the development of the capacities of 'duty-bearers' to meet their obligations and/or of 'rights-holders' to claim their rights.

Policies and Principles

By anchoring human rights in its work, ADC contributes to:

- **Capacity development**
So that human rights can be more effectively protected and implemented (particularly by strengthening rule of law institutions)
- **Improving relations between social groups**
For example through the formation of forums for reconciliation or public debate or through access to the law and justice
- **Changing the social and economic environment in which conflict and peace are embedded**
For example by supporting democratic elections, free media, peacekeeping operations, demobilisation, or the reconstruction of a basic social and economic infrastructure
- **Behaviour in compliance with human rights**
For example through human rights education or support for peace processes
- **Improving implementation of individual human rights through specific projects**
For example in the health, social or education sector

2.5 Good Governance

Introduction

For ADC, good governance is both a goal in its own right and a method for attaining its three main objectives of poverty reduction, protection of the environment and natural resources, and ensuring peace and human security (as stipulated in the DC Act).

Policies and Principles

– Participation

Activities should be developed and implemented jointly, based on the realization that the active participation of those directly involved increases the sustainability of development, strengthens its legitimacy and promotes capacity development (see Chapter 4.2.2.5). ADC encourages this kind of participation through good governance by involving all stakeholders in the implementation of its programmes and projects. Clear and transparent decision-making processes at the administrative level are an important element in the realization of the participation principle and are essential for a functioning democracy.

– Ownership

Any measure should be designed from the outset in such a way that those directly concerned can take it over and participate actively on their own responsibility. ADC endeavours to make its programmes, projects and programming processes transparent for all concerned and to carry them out with the participation of all relevant social groups. This also means that ADC works with existing institutions in accordance with their potential and capacities rather than building up parallel structures (see Section 1 DC Act).

– Empowerment

Empowerment is a process enabling disadvantaged groups to assert their rights. It also means enlarging the base and enhancing the potential of disadvantaged groups (particularly the poor) so that they can call institutions that affect their lives to account, negotiate with them and participate in them. On the basis of its past focuses and experience, ADC concentrates on the promotion of decentralization, local governance and local development as an important area of intervention as it enables citizens to assert the rights that affect them directly, such as the elaboration of decentralized development plans.

– Transparency and accountability

Accountability calls on the actors (a government, ministry, project manager or ADC) to bear responsibility for their actions. It is the opposite of arbitrariness and demands openness and the assumption of responsibility towards the population. This entails an obligation to transparency and traceability and to the effective provision of services. ADC must also act transparently and accountably and facilitate the functioning of control levels at the micro and macro levels. This increases the effectiveness and efficiency of interventions and strengthens the administrative and political framework in the partner countries.

ADA's policy and principles on good governance are based on the ADC "Good governance - policy document" available at http://www.entwicklung.at/uploads/media/PD_Good_governance_July2011_01.pdf

- **Conflict sensitive approach**

A Do No Harm approach supports the right understanding of political processes, pattern of state society relations, sources of legitimacy in the countries where ADC is operating in order to prevent unforeseen consequences or violence-promoting side effects.

- **Combating corruption**

In the context of the ADC commitment to good governance, corruption is to be understood as the behaviour of persons or representatives of the public sector that deviates from their official responsibilities and takes advantage of their power for private aims and enrichment. This behaviour is also often facilitated by private enterprises or donors. Corruption is therefore a symptom of poor governance and an important development policy problem in its own right. A distinction can be made between individual, systemic (service sectors such as health or education) and political corruption (concerning party financing or elections, for example). ADC takes account of corruption in its programmes and projects by incorporating anti-corruption elements (anti-corruption clauses in agreements, quality criteria in project cycle management, monitoring, etc.). Corruption will also be emphasised more strongly as a theme within ADC at all intervention levels in programming processes, political dialogue and through specific anti-corruption projects.

2.6 Peacebuilding and conflict prevention

ADA's policy and principles on peacebuilding and conflict prevention are based on the strategic Guideline "Security and Development in Austrian Development Policy – a whole-of-government policy - and the ADC "Peacebuilding and conflict prevention - policy document" available at http://www.entwicklung.at/uploads/media/StratGuide_Security_and_Development_02.pdf http://www.entwicklung.at/uploads/media/PD_Peacebuilding_July2011_01.pdf

Introduction

Peacebuilding and human security are one of the main goals enshrined in the Austrian Development Cooperation Act (DC Act).

Policies and Principles

ADC understands conflict prevention as an integral component of poverty reduction and takes account of the interaction between poverty reduction and peacebuilding in all phases of programme and project work. Poverty is becoming more and more concentrated in fragile states. ADC takes the specific situation of fragile states and situations into consideration in its work. ADC's increases its commitment to a proactive approach to the prevention of violent conflicts and fragile situations. ADC is in favour of long-term commitments to ensure lasting peace and structural stability. ADC favours "positive peace" by eliminating not only direct but also structural violence and its root causes and by promoting human security and structural stability. The integration of gender-specific perspectives and measures as well as the implementation of UNSC Resolution 1325 is of prime significance. ADC recognises the importance of civil society and promotes its participation in conflict prevention and peacebuilding. Austria advocates a whole-of-government approach for strengthening conflict prevention, crisis management, peace building and state building

Based on the strategic guidelines and the policy paper ADC has following priorities:

- **Conflict-sensitive approach – mainstreaming:** As a quality assurance measure, all ADC activities call for a conflict-sensitive approach that permits identification of negative unintended side effects and conflict potential. In practice, this means taking account of the interaction between tensions and conflicts and ADC activities with a view to preventing negative and exacerbating effects and strengthening positive, peace-promoting ones.

- **Strengthening local organisations working in the field of conflict prevention:** Local organisations in the ADC key regions are indispensable for durable peacebuilding and conflict prevention. ADC therefore seeks to work more intensively with regional and subregional organisations active in peacebuilding and conflict prevention. These organisations will also be supported in the development of efficient and effective structures. In the area of conflict prevention in particular, civil society organisations have an important role complementary to state structures. ADC will therefore support such organisations by means of institution-building measures.
- **Supporting and promoting the role of women in the prevention and resolution of conflicts,** the strengthening of their participation in organizational and decision-making processes, as well as gender equality and the prevention of violence against women.

Strengthening fragile and conflict affected states and coping capacities in fragile situations by building up effective, legitimate and resilient government institutions, stable democratic processes and constructive and violence-free approaches to conflict resolution.
- **Strengthening the justice and security systems:** Effective and democratically legitimised and controlled security systems are an important prerequisite for the prevention and management of conflicts. ADC therefore concentrates its efforts in the areas of rule of law, justice and transitional justice after crises and conflicts as well as capacity building in the areas of police, the penal system, and human rights.
- ADC recognizes the contribution to security and development as a task for a **whole of government approach** to strengthening conflict prevention, crisis management, peacebuilding and state building.
- ADC supports and promotes the activities of the OECD DAC International Network on Conflict and Fragility (INCAF) and is guided by its recommendations.

3. Project-level standards

3.1 Introduction

ADA has established an exclusion list of types of interventions that ADA generally does not finance when providing grants for interventions in developing countries. For all funded interventions ADA has a set of basic standards as well as a set of specific standards for interventions in specific sectors or thematic areas (see section 3.4). The applicability of the specific standards is established throughout the planning phase of a particular intervention (see section 4.).

3.2 Exclusion list

The ADA Exclusion List¹ defines the types of programmes, projects and interventions that ADA does not finance. It is inspired by the Harmonized European Development Finance Institutions (EDFI) Exclusion List and the International Finance Corporation (IFC) project exclusion list and included in the Annex to this Manual.

3.3 Basic standards: “Joint principles for cross-cutting issues”

Taking concurrent account of and implementing many cross-cutting themes, such as gender, environment, human rights and good governance, poverty reduction and conflict prevention, is a growing challenge in ADC.

ADA has therefore identified seven so-called joint principles for cross-cutting issues, which are taken into consideration for all interventions. For each joint principle there are guiding questions which have to be addressed at the proposal stage.

1. **Ownership** is a basic principle for development cooperation, implying that all stakeholders from partner countries are owners (“whole-country ownership”) and must thus resume the control of and responsibility for all processes, functions etc.

Relevant questions to be addressed in this respect are the following:

- Have the national/regional development strategy/ies as well as other relevant policies, regulations and commitments been elaborated in a participatory manner?
- Are the relevant ministries, local authorities, civil society etc. committed to their execution?
- Are the respective functions, responsibilities etc. clearly defined, understood and fulfilled by all stakeholders?
- Are local plans and budgets adhering to national strategies, regulations and commitments?

Additionally, in the framework of interventions, also the following questions need to be addressed:

- Does the local/national/regional partner take over the responsibility of the planned/foreseen intervention(s)/investment(s)?
- Are these responsibilities in line with the respective tasks and functions of the partner?

¹ The ADA Exclusion List is based on/inspired by the Harmonized EDFI Exclusion List and the IFC project exclusion list.

- Which support measures are planned to strengthen ownership and responsibility, inclusive participation processes etc. on the side of the local/national/regional partner?

2. **Do no harm** implies that no unintentional negative impacts occur due to the intervention(s) / investment(s).

Relevant questions to be addressed in this respect are the following:

- Has the possibility of any unintended negative consequences and potential risks been critically examined and subsequently excluded?
- Have existing access and user rights, possible diverging or conflicting interests and priorities been sufficiently taken into account?
- Are the respective opponents or sources of tensions as well as allies identified?
- Have existing regulations and guidelines concerning social and environmental safeguards been taken into due account?²

3. **Equity, equality and non-discrimination** implies fairness concerning the distribution of benefits and opportunities, equal opportunities and effective equality as well as prohibition of unfair distinction based on sex, age, national or ethnical origin, language, religion, disability etc.

Relevant questions to be addressed in this respect are the following:

- Are any individuals or groups excluded from participation, influence, equal access and utilization in the respective sector/thematic area/intervention? How will the exclusion of certain individuals or groups be addressed?
- Are resources, services, infrastructures and assets available, accessible and affordable for all? Are benefits equally distributed?
- Are existing power relations at household, community or other levels hampering equal access and utilization?
- What other kinds of barriers exist and how can/will these be overcome?

4. **Participation and inclusion** implies the active involvement of all stakeholders in the planning and decision-making process, where different opinions, interests etc. are duly taken into account and negotiated.

Relevant questions to be addressed in this respect are the following:

- Is inclusive participation and equal representation of all stakeholders in planning and decision-making processes intended? How is this addressed?
- Are barriers for inclusive participation, of women and men as well as vulnerable groups such as minorities, children, persons with disabilities, elderly etc. identified?
- Which measures are planned to address / overcome these barriers?
- How will the articulation of specific opinions, interests, priorities etc. of participants be enabled? Which measures are intended to ensure that they are adequately taken into account?

² This concerns national and international regulations and guidelines concerning social and environmental safeguards and/or ex-ante social and environmental impact assessments.

5. **Accountability and transparency** implies that all actors – public and private – are responsible and answerable for their actions and that efficient sanctions are in place if commitments are not met. Information must be relevant and accessible, timely and accurate.

Relevant questions to be addressed in this respect are the following:

- Which accountability mechanisms and processes at the national / local level are established? Are both top-down and bottom-up accountability mechanisms in place?
- Which possible obstacles to ensuring accountability do exist? Which measures are intended to address them?
- Which regulations are in place on the sub-national, national, regional or international level to enforce responsible actions?
- Which sanctions for non-accountability and non-compliance are in place and how are these enforced?
- Is equal access to information for all population groups planned, e.g. regular and mutual information flow?
- Which measures are in place to ensure equal access to relevant information and data?

6. **Empowerment** implies the strengthening of capabilities of individuals and groups to make autonomous and self-determined choices and to transform them into desired actions and outcomes.

Relevant questions to be addressed in this respect are the following:

- Are all stakeholders empowered /enabled to articulate their interests, priorities etc. in decision-making processes and to hold local authorities accountable?
- Are capabilities of vulnerable groups strengthened and thus enabling for equal benefits from resource utilization?
- Do existing power relations including gender relations at household, community or other levels hampering the social, economic and political empowerment of specific groups?
- What other kinds of barriers exist and how can/will these be overcome?

7. **Sustainability** implies strengthened capabilities and mechanisms for reconciliation of environmental protection, social equity and economic demands.

Relevant questions to be addressed in this respect are the following:

- Are the three dimensions of sustainability equally taken into account?
- Do approaches and methodologies adhere to the provision of adequate livelihood conditions, ecosystem services and broad-based economic development? Are these based on due consideration of local knowledge?
- Do interventions consider the expected impacts of climate change and are the planned activities climate-proofed?
- How is it ensured that the utilisation of natural resources and ecosystem services does not lead to long term degradation?
- Have other external influences and risks been assessed and respective mitigation actions considered?
- Have the requirements and demands of all stakeholders as well as concerns of future generations been taken into account?
- How can it be ensured that initiated change processes – e.g. in terms of more equal power relations – are continued, capabilities and resources are in place, motivation and interest sustained? By which measures can / will this be addressed?

3.4 Specific standards

For programming in specific sectors or thematic areas (e.g. water and sanitation, energy, human rights...), ADA follows and offers to its partners standards which are set out in the respective sectorial / thematic guidelines, manuals and/or focus papers available on the ADA website:

- **Strategies for implementing and focus papers:**
<http://www.entwicklung.at/en/publications/strategies-for-implementing-and-focus-papers/>
- **Manuals:** <http://www.entwicklung.at/en/publications/manuals/>

For interventions relevant to environmental, gender and social standards, project/programme specific questionnaires in each of these three areas (environment, gender, social) – to be used during the planning phase – provide guidance and quality assurance.

The appraisal processes are explained in the following section (4.).

4. Standards delivery system

4.1 Planning Phase

The applicant has to adhere to the overarching policies and principles (section 2.) as well as the Joint Principles (section 3.3) when designing an intervention.

Additionally, if the intervention tackles a specific sectorial or thematic issue, the applicant has to make sure that the intervention is guided by the standards set out in respective sectorial/thematic guideline, manual and/or focus paper (section 3.4).

Gender, social and environmental issues need to be taken into account from the start of the intervention planning. To make sure that applicants design their projects according to ADA environmental and social standards, ADA has developed one questionnaire for environment, gender and social appraisal each. The questionnaires, which form part of the project document, help to ensure that all relevant environmental and social aspects are considered.

The aim of the appraisals is to ensure quality and sustainability of interventions, but they should not represent an additional burden in the project preparation process. A smooth, effective and efficient appraisal will be possible if the planning process respects the following quality criteria:

- Questions of Gender equality and women's empowerment, as well as environmental and social safeguards, are taken into account from the beginning of planning
- Planning is conducted in a transdisciplinary, participatory and inclusive way; perceptions and approaches from policy makers, scientists, practitioners and final beneficiaries are discussed with all stakeholders and groups that might be – positively or negatively – be affected by the project or programme
- The perceptions and approaches are based on sufficient and adequate information about the specific socio-economic, ecological and cultural framework conditions of the interventions, as well as the activities which might be relevant for gender equality or environmental impact
- Potential positive or negative impacts on the environment, the natural resources, the gender equality or other social structures are described in a comprehensive way, as are the measures taken to avoid negative impacts and to strengthen positive ones
- Lessons learnt from previous activities and evaluations are explicitly illustrated, and information about the general strategies, principles and methodological approaches of the implementing partners is clearly described

According to the ADA staff guideline on risk management, any environmental or social risks that might stem from the intervention have to be identified by the applicant. Identified risks and mitigation measures have to be described in the relevant section of the project document.

4.2 Project appraisal

Every eligible **funding application** is subject to an appraisal by ADA.

Standard appraisal

Environmental appraisal:

The environmental advisor is rating the risk and dimension of potentially harmful impacts to the environment and the natural resources. Consequently, she/he

- greenlights the intervention, if there is no significant risk of harm; or
- recommends to stop the preparation of the intervention, as the risk of harm seems to high
- asks for more detailed information about the activities planned; or
- defines specific recommendations, either for the further planning process or for the implementation of the intervention. These recommendations do focus on measures necessary to reduce potential harm to the environment, or on opportunities to integrate measures to improve the local environmental conditions.

Gender appraisal:

The gender self-assessment questionnaire together with the project document enables the ADA sector/program officers to:

- identify areas in which project partners are meeting or not meeting ADA minimum standards,
- identify where technical assistance can support their achievement
- allocate the appropriate OECD gender marker.

Social appraisal:

The social self-assessment questionnaire together with the project document enables ADA sector/program officers in consultation with the respective thematic advisor(s) to:

- identify if the proposed intervention is in line with ADAs “joint principles” (see 3.3) as well as Policy Documents on Poverty Reduction, Good Governance and Human Rights.,
- provide suggestions concerning more in-depth assessment to be carried out before approval, if required,
- define specific comments and recommendations for implementation, monitoring and follow-up

The appraisal documents might contain recommendations concerning environmental, gender or social issues to take into account while implementing, monitoring, and evaluating the respective project or programme.

In case of **tender procedures**, the ADA advisors on environmental, gender or social issues have to be consulted in the planning process, and relevant key phrases / modules need to be incorporated in the tender documents.

Joint appraisal

In **general budget support, sector support**, environmental, gender and social standards have to be mainstreamed, too. In case of **pooled funding, joint appraisals** are aimed for. These could be done, for instance, through Strategic Environmental Assessments (SEA), joint assessments or by relying on already existing assessments of third parties. In those cases, it is mandatory to consult with ADA advisors on environmental, gender or social issues, to define the approach taken depending on the specific case.

Simplified appraisal

Simplified appraisal procedures apply to interventions under instruments for cooperation with **civil society organisations based in Austria and the private sector** ("Individual CSO projects" up to 100.000 EUR; business partnerships up to 200.000 EUR), whereby the partners need to ensure that the projects are in line with ADA environmental, gender and social standards and the reviewing officer / selection committee assesses adherence. A full standard appraisal by the thematic advisors is not mandatory.

Adapted appraisal

In **strategic partnerships with the private sector, humanitarian organisations, and for framework agreements with civil society organisations**, an **adapted process** applies: the standard appraisal process will be waived if the organization can demonstrate it has organizational-level safeguards that ensure environmental and social standards will be adhered to in their interventions funded by ADA. ADA advisors on environmental, gender, or social issues will have to judge whether the organizational-level safeguards of these partners meet ADA quality criteria. If such organization-level safeguards do not exist, the interventions will have to undergo the standard appraisal system.

The following table summarises what type of appraisal applies within what type of funding instrument:

Overview: Project Appraisal				
	Assessments / Instrument	Environmental Appraisal	Gender Appraisal	Social Appraisal
Cooperation with involvement of development co-operation organisations	Individual applications within ADC programmes/Grants	Standard Appraisal	Standard Appraisal	Standard Appraisal
	Call for Proposals/ Grants	Standard Appraisal	Standard Appraisal	Standard Appraisal
	Grants – Contribution to multi-donor initiatives/ Grants	Standard Appraisal	Standard Appraisal	Standard Appraisal
	Tenders	Standard Appraisal	Standard Appraisal	Standard Appraisal
Bilateral co-operations with partner governments	General Budget Support	Joint Appraisal	Joint Appraisal	Joint Appraisal
	Sector Support	Joint Appraisal	Joint Appraisal	Joint Appraisal
	Pooled Funding	Joint Appraisal	Joint Appraisal	Joint Appraisal

	National Execution	Standard Appraisal	Standard Appraisal	Standard Appraisal
	Delegated Cooperation	Standard Appraisal	Standard Appraisal	Standard Appraisal
Specific Instrument	Civil Society International	Simplified Appraisal	Simplified Appraisal	Simplified Appraisal
	Civil Society Framework Programmes	Adapted Appraisal	Adapted Appraisal	Adapted Appraisal
	Humanitarian Aid (FDF)	Adapted Appraisal	Adapted Appraisal	Adapted Appraisal
	Business Partnerships	Simplified Appraisal	Simplified Appraisal	Simplified Appraisal
	Strategic Partnerships with the Private Sector	Adapted Appraisal	Adapted Appraisal	Adapted Appraisal

4.3 Monitoring and reporting

Project partners and ADA staff are responsible for monitoring the performance of projects and programmes, including adherence to environmental and social standards. The Staff Guideline on Monitoring defines the procedure as well as the roles and tasks in monitoring.

4.4 Evaluation and learning

Evaluations are a valuable instrument for learning and improving processes and systems at ADA (including the standards delivery system), as well as the partner's processes and systems.

Every project or programme must be evaluated. Evaluations are either carried out during implementation or at the end of the project or programme. These evaluations ascertain the reasons why certain aspects of the project or programme have been carried out as planned and others have not and assesses both project design and intended and unintended results and impacts.

The Federal Ministry for Europe, Integration and Foreign Affairs (FMEIA) in coordination with ADA develops a two-year evaluation programme for strategic evaluations. These evaluations are managed by ADA together with the FMEIA. Project and programme evaluations are either managed by ADA or directly by partner organisations.

The reports of strategic evaluations are published on the ADC website.

Annex 1 – ADA Exclusion List

The ADA Exclusion List³ defines the types of programmes, projects and interventions that ADA does not finance. ADA does not finance any programme or project, activity, production, use, distribution, business or trade involving the following:

1. Forced labour⁴ or child labour⁵ (as defined in General Conditions);
2. Pornography and/or prostitution;
3. Racist, sexist and/or anti-democratic media;
4. Production, trade or distribution of weapons and munition;
5. Production, manufacture, activities and materials deemed illegal under host country law or regulation or international conventions and agreements, or subject to international phase-outs or bans due to their high toxicity to living organism, environmental persistence, potential for bioaccumulation, or potential for the depletion of the ozone layer, such as:
 - Ozone depleting substances, PCBs (Polychlorinated Biphenyls) and other specific, hazardous chemicals, pesticides that fall in WHO Recommended Classification of Pesticides⁶ by Hazard Class Ia (extremely hazardous) or Ib (highly hazardous),
 - any kind of asbestos fibres,
 - all chemicals listed in Annex A or B of the Stockholm Convention on POPs (Persistent Organic Pollutants),
 - items containing lead (with exception of car batteries and nuclear medicine), cadmium, arsenic (with exception of medical drugs) or mercury,
 - radioactive material (with exception of nuclear medicine);
6. Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations;
7. Damage to ecosystems and biodiversity, such as
 - Destruction⁷ of High Conservation Value⁸ areas,

³ The ADA Exclusion List is based on/inspired by the Harmonized EDFI Exclusion List and the IFC project exclusion list.

⁴ Forced labour refers to situations in which persons are coerced to work through the use of violence or intimidation or by more subtle means such as accumulated debt, retention of identity papers or threats of denunciation to immigration authorities (ILO definition).

⁵ Persons may only be employed if they are at least 14 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2), unless local legislation specifies compulsory school attendance or the minimum age for working. In such cases the higher age shall apply. (EDFI definition)

⁶ WHO Recommended Classification of Pesticides
http://www.who.int/ipcs/publications/pesticides_hazard/en/

⁷ Destruction means the (1) elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the area's ability to maintain its role is lost.

⁸ HCVs are biological, ecological, social or cultural values which are considered outstandingly significant or critically important, at the national, regional or global level (Source: High Conservation Values Resource Network <https://www.hcvnetwork.org/about-hcvf/the-six-high-conservation-values>)

- Wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES); or
- Unsustainable fishing methods (e.g., blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 km in length);

In this context, ADA refrains from any ecosystem or biodiversity offsetting mechanism.

8. Introduction or promotion of genetically modified organisms (GMO); invasive alien species as well as systems and/or devices in the spectrum of synthetic biology,
9. Environment and/or climate-damaging activities, such as projects, programmes and business partnerships
 - that are expected to or currently produce more than 20,000 tons of CO²-equivalents annually,
 - that directly promote high-carbon forms of energy (especially coal or oil).
10. Removal or damage of cultural heritage
11. Forced evictions or displacement of people (i.e. families, households, communities)
12. Large-scale acquisition of land (land grabbing)