

TERMS OF REFERENCE

STRATEGIC ENVIRONMENTAL, POVERTY AND SOCIAL ASSESSMENT (SEPSA) FOR CORRIDOR IMPROVEMENT PROGRAM (CIP)

Background

The Government wants to sustain the current economic growth by improving the country's competitiveness and capturing an increased share of the regional and global market. The Corridor links country's major ports with the country's major cities and trade corridors. Together the ports, road and railways along this corridor handle most of the country's external trade and majority of total land freight. Corridor utilization exceeds 80% of existing capacity and projected growth will double the demand by 2015.

The development objective of the Corridor Improvement Program (CIP) is to reduce the cost of trade and transport logistics and bring services' quality to international standards in order to reduce the cost of doing business in the country and ultimately enhance export competitiveness and the country's industrialization.

Objectives

Main objective of the Strategic Environmental, Poverty and Social Assessment (SEPSA) is to identify key environmental, poverty and social priorities and the distributional impact associated with the CIP and design policies aimed at ensuring environmental and social sustainability of growth linked to this program.

Overall, the SEPSA aims at providing a strategic framework for strengthening environmental, social and economic sustainability of trade growth related to the corridor and its overall competitiveness on the global scale. The specific objectives of the SEPSA are to:

- identify environmental, distributional and social priorities and key forward and backward linkages between poverty alleviation, environmental protection and trade growth in the domestic trade area to be influenced by the CIP;
- assess transmission mechanisms from the CIP to these environmental, distributional and social priorities and key linkages;
- assess in-country institutional and governance strengths and weaknesses and identify environmental, distributional and social priorities with specific reference to the concerns of the workers/laborer, women, poor and vulnerable groups and indigenous people;

- identify capacity issues and gaps in relevant key public and private/civil society sector entities to periodically identify, assess, manage and address environmental, distributional and social concerns;
- provide international comparisons, case studies, examples and best practices on how other developing countries have addressed similar institutional and governance weaknesses for promoting environmental and social sustainability and distributional equity in the context of accelerated trade growth;
- formulate environmental, distributional and social recommendations to address in-country institutional and governance weaknesses ensuring consideration of perceptions and concerns of main stakeholders and, especially, vulnerable groups such as worker/laborers, women and indigenous people; and,
- recommend environmental, distributional and social policy and institutional mechanisms that will enable future adjustments to maintain and promote sustainable and equitable trade growth, equitable benefits sharing and for effective mitigation of any negative environmental and social consequences in response to experience, new information or changes in stakeholder preferences.

Scope and Tasks of the SEPSA

To achieve the project's objectives, the Consultant will undertake under this assignment the following tasks:

1. ***Situation Analysis***: Collect and review relevant information in terms of production, trade, environmental, poverty, distributional and other socio-economic issues related to the sectors/areas influenced by the corridor;
2. ***Stakeholder and Political Economy Analysis***: Identify key public and private stakeholders and assess their interests and concerns in relation to trade policy, transport policy and the proposed CIP giving particular attention to the relationship between different levels of government, private sector and vulnerable groups such as workers/laborer, women, indigenous people;
3. ***Identification of Environmental, Distributional and Social Priorities***: Using environmental valuation techniques and poverty and distributional analysis tools and public participation methods identify environmental, poverty, distributional and other social priorities in the domestic trade area influenced by the corridor;
4. ***Scenario Building***: Develop a range of likely trade growth scenarios associated to the corridor with a set of different assumptions on urban development, industrialization and transport demand;
5. ***Assessment of Transmission Mechanisms from Proposed Program to Environmental, Distributional and Social Priorities***: Assess likely significant effects on environmental, poverty, distributional and other social priorities of implementing the proposed CIP in each of the scenarios;
6. ***Institutional Analysis***: Assess weaknesses of transport, environmental, social protection and development institutions to address likely significant effects on environmental, poverty, distributional and other social priorities associated with each of the likely growth scenarios with special reference to the concerns of vulnerable groups such as workers/laborers, women and indigenous people;

7. ***Recommendations for Institutional Strengthening and Mainstreaming Environment, Poverty Alleviation and Social Development in Public Policies*** based upon the results of the analytical work undertaken and incorporating perceptions of key stakeholders, particularly, those of vulnerable and weaker stakeholders; and,
8. ***Social learning for continuous policy improvement*** incorporating the participation of potentially affected stakeholders and vulnerable groups.

Task 1: Situation Analysis

Information and documents regarding current status of the economic, environmental, poverty, distributional and social situation in the area/sectors influenced by the corridor will be collected and reviewed. The analysis will cover the economic structure by sectors, their contribution to income, employment, poverty alleviation, export and forward and backward trade linkages. Special attention would be given to the sectors more likely to enhance their international competitiveness and to increase significantly their production capacity due to the CIP. The structure, geographical distribution, income levels, income and asset endowments distribution and organization of the population will be also described and discussed. The analysis will be complemented with morbidity and mortality indicators and main health risk factors affecting the population.

As a backdrop for the economic and population analysis, environmental and social protection factors in the trade area of the corridor will be also described and analyzed. This will include but not be limited to land use patterns, surface and underground water, environmental sensitive areas such as national parks, wildlife sanctuaries, environmental hot spots, slums, poverty prevailing areas and rural-urban migratory flows. The assessment will examine the employment and social benefit patterns and the geographical spread, income levels and socio-economic spread of the direct/indirect beneficiary/affected population. The baseline should be documented with GIS-type overlays and data to overlap demographic, economic and environmental variables of the corridor area of influence as needed for the analysis.

The assessment will identify the need for further sector-specific environment, poverty and social assessments in line with the preparatory requirements of the additional reforms and interventions proposed under the CIP.

Task 2: Stakeholder and Political Economy Analysis

Key stakeholders in trade policy and related to the CIP itself will be identified. Special focus will be on the most vulnerable and disadvantaged groups, and those groups who might oppose the reforms proposed in the CIP (goals, reason for opposition, behavior, interests). The analysis will be complemented with a discussion of the interests and incentives underlying key stakeholders' behavior. The stakeholder analysis will, therefore, identify potential winners and losers and tensions or conflicts between them as a result of CIP implementation. This political economy and power dynamics analysis should be given with insights into ways to engage constructively key groups into the CIP, so that the reforms associated with the CIP are not unduly challenged or opposed during implementation. Moreover, implementation of reforms and benefits sharing should benefit

most vulnerable and disadvantaged groups despite any remaining opposition from powerful stakeholders.

Task 3: Identification of Environmental, Distributional and Social Priorities

The SEPSA will identify a set of key environmental, poverty, distributional and other social priorities that are relevant for the decision-makers as they call for government interventions. Environmental and social priorities refer to the safety and the quality of life of all people in the domestic trade area of the corridor and the sustainable management of the resources on which they depend.

Environmental priorities may comprise among others: pedestrian safety, industrial pollution, air pollution, water contamination and its health impacts, externalities associated with a particular sector, policies to manage urban growth vis a vis urban livability, basic services, or zoning to reduce vulnerability to natural hazards, controls on resource degradation to maintain key environmental services, business or infrastructure resilience to flooding or other hazard event and so on. The identification of environmental priorities associated with trade growth in the corridor's area of influence should be supported with quantitative environmental economic analysis.

Poverty, distributional and other social priorities refer to the opportunities or lack thereof available to people to make choices, support their families, pursuit individual fulfillment and be constructively linked to their community. These priorities may comprise job opportunities, asset endowments, social safety nets, access to basic services, etc. The identification of poverty, distributional and other social priorities associated with trade growth in the corridor's area of influence should be supported with quantitative demographic and economic analysis and qualitative social analysis.

For the identification of priorities, the SEPSA will also take into account the perspectives of key stakeholders, particularly, vulnerable and disadvantaged groups, as these groups tend to be most severely affected by environmental and distributional issues associated with projects such as CIP. Giving utmost priority to the concerns of vulnerable and disadvantaged groups is not only justified on ethical terms, but also because greater equality in access to services and in influencing development interventions has been associated with lower poverty levels and improved conditions for economic development.

Task 4: Scenario Building

To assess the effects of trade growth on environmental, poverty, distributional and other social priorities, a range of likely trade growth scenarios associated to the corridor will be developed considering different assumptions in the following variables: increase in domestic demand, global demand for the country's export; demand for transport services to supply domestic and global markets; urban development; migration and, industrialization. Transport pricing alternatives linked to energy supply policies, industry and household surveys, analysis of urban development historical trends and land use patterns in the corridor's area of influence, studies on the competitiveness of industrial clusters in the area, and expert judgment from industry and trade specialists will be used to inform the assumptions to build the scenarios.

Task 5: Assessment of Transmission Mechanisms from CIP to Environmental, Distributional and Social Priorities

For each likely scenario, the effects on environmental, poverty, distributional and social priorities in the trade growth area associated with the corridor will be assessed. To this end, the likely benefits to be accrued and costs to be borne by key stakeholders, especially vulnerable groups over the medium and long term as a result of trade expansion will be estimated by applying surveys, focus groups, in-depth interviews and econometric models. The analysis will include assessment of the main channels through which environmental, distributional and social effects are likely to be transmitted from the CIP to the key stakeholders and vulnerable groups such as urban-rural migratory flows, waste generation, discharge of effluents, employment and wages, health risks especially AIDS, hepatitis, increase in crime, prostitution, social, cultural and ethnic issues and tensions, industrial and labor relations and prices of goods and services. Consultants are highly encouraged to use methodologies to assess options in a holistic manner, by using a method like multiple-criteria analysis. The assessment will focus on likely significant effects exclusively, prioritizing those effects that are significant in all or most of the trade growth scenarios evaluated.

The assessment will pay special attention to the following:

- a. potential overall and cumulative direct and indirect social impacts of program policy reforms and proposed physical interventions;
- b. macro-level potential social, socio-cultural and livelihood impacts associated with the CIP influenced reforms and investments;
- c. potential impact on socio-economic environment including, but not limited to, land-use, land tenure and land titling; human settlements, control over allocation of resource-use rights, business, physical cultural resources, trade and livelihood activities;
- d. potential changes in existing land use patterns due to the emergence of new trade pockets and corridors in the country and its likely positive and negative social effects;
- e. potential impact on employment, labor relations and overall and cumulative impact on poor, women and vulnerable social groups;
- f. assessment of potential conflict issues, differential impacts on different social groups and potential reputational risks involved in the implementation of CIP;

Task 6: Institutional Analysis

Strong institutions have increasingly been recognized as critical contributors to sustainable development, particularly as they perform the three fundamental functions of picking up signals about needs and problems, balancing interests, and implementing solutions. The SEPSA will examine how the different groups pick up signals (or identify the environmental and social priorities), interact among them to balance the interests of different stakeholders and sectoral agencies, and implement sustainable solutions. These groups include the judiciary, trade, transport, environmental, development, social protection, and civil society institutions (representing the key private stakeholders' interests) as well as vulnerable groups and providers of transport services. The institutional analysis will include but not be limited to the following:

- Review procedures of environmental and social assessment, especially focusing on monitoring and compliance mechanisms. This will include a review of procedures and practices for land use and urban planning, involuntary resettlement and land acquisition;
- Assess compatibility of existing EIA procedures with the Bank's safeguard policies and prepare Safeguard Diagnostic Review and Environmental Assessment Reviewing Framework that will be referenced when EIA is required during and after the implementation of the CIP;
- Review existing regulatory and institutional framework to safeguard the interest of workers and to ensure improved industrial relations, including the compensatory framework for retrenchment of workers;
- Assess preparedness of relevant ministries/departments/entities including local governments to identify, assess and address distributional effects and negative social consequences of the proposed reforms, safeguard the interests of affected, vulnerable and marginalized groups and benefit the poor;
- Conduct gap analysis of mandate and capacity and expenditure review of sector and regional institutions for promoting development, poverty alleviation and environmental and social protection in relation to the CIP and its trade area of influence. This will include assessment of existing grievance redressal systems including alternative dispute resolution, formal/informal and legal/quasi-legal mechanisms of conflict resolution;
- Analyze inter-institutional linkages between transport sector, trade, environmental, development, poverty alleviation and social protection institutions will be also considered.
- Analyze organizational and institutional capacity of affected, less favored, disadvantaged and vulnerable stakeholders.
- Assessment of the role of civil society groups/institutions, media, etc. to support, facilitate and monitor effective social assessments and implementation of environmental social safeguards.

Task 7: Recommendations for institutional strengthening and mainstreaming environment in public policies

The SEPSA will provide recommendations for institutional strengthening that will aim to ensure that: a) the actions triggered by specific corridor and trade related policies are bound by rules that protect the environment, alleviate poverty, equitable benefits sharing and mitigate negative social consequences; b) the appropriate organizations are able to identify the occurrence of policy-related environmental and social externalities; and c) authorities count with the mechanisms to balance the interests of beneficiaries with those of stakeholders especially vulnerable groups affected by the reforms to craft appropriate responses. The SEPSA will also consider the barriers to the development of adequate institutions, particularly political economy considerations. These recommendations will be validated in workshops or focal groups with key stakeholders ensuring the participation and due consideration of views of vulnerable or affected stakeholders.

The SEPSA will provide empirical evidence on the forward and backward linkages between trade growth associated with the CIP and problems such as environmental degradation, poverty and income distribution inequality. Addressing the environmental degradation, poverty, and economic growth linkages, with environmental and social policies and technical assistance, will help to ensure the CIP's sustainability and sustainable economic growth of the country. The SEPSA will aim to incorporate environmental and social considerations at the highest decision-making level and capitalize on synergies -or address tradeoffs- between environmental protection, poverty alleviation and other development objectives.

Task 8: Social learning for continuous policy improvement

Institutional reforms rarely succeed in meeting all of their stated objectives due to uncertainties, incomplete information, conflicting interests, and other characteristics of the policy process. Thus, corridor-related policies will require continuous improvements to address environmental and social externalities, as well as exogenous changes in the context where such policies and institutional reforms are applied. In this context, learning allows policy-makers to continue improving policy and governance design and the SEPSA should aim at promoting social learning by opening an opportunity to reform organizational structures, initiate a dialogue among stakeholders including vulnerable groups such as workers/laborers, women, and indigenous people, and implement monitoring and evaluation indicators. An effective monitoring and evaluation system based upon a set of measurable monitoring indicators will be developed by the SEPSA. Also, the SEPSA will assess capacity of agencies in charge of monitoring and evaluation, and when necessary, provide technical support or capacity building to ensure positive benefits of the SEPSA can be maximized.

Stakeholders Consultation and Intersectoral coordination

As mentioned above, the consultants will identify key stakeholders and have meaningful engagement with them to identify priorities, validate the SEPSA's main findings and recommendations, help in building environmental and social development constituencies, provide an opportunity to otherwise less powerful and vulnerable stakeholders to voice their needs, concerns and have an influence on decisions taken, and provide ways and means to continuously improve the beneficial environmental, economic and social effects of the CIP. To effectively engage with and involve stakeholders in the strategic decisions on the CIP, consultants will hold, document and report on focus groups and at least two rounds of consultative workshops in each of the four provinces and in the capital city and a national validation workshop on the final SEPSA's results and policy matrix mentioned below. Special attention will be paid to a meaningful involvement of vulnerable groups such as workers/laborers, women, local ethnic/religious minorities and indigenous people - if necessary, gender segregated consultations may be conducted.

The SEA will be implemented by a commission which comprises ten major sectors/ministries. The Bank in consultation with this commission will constitute an independent environmental and social advisory panel (comprising of three experts – at least two of them should be local) to help the consultants in achieving their objectives and assuring the quality of their work.

Key Staff and Required Skills

The consultants will be hired with experience in institutional analysis, political economy analysis, cost of environmental degradation studies, poverty and social impact analysis, transport, trade, and urban growth, among others. The successful firm or consortium will put forward local and international consultants, who combine in depth understanding of domestic and institutional conditions and best global practices, with the following qualifications.

Team Leader: Person with experience on environmental or social policy design and 14 or more years of relevant experience including trade facilitation and/or transport operations. This person will lead the SEPSA, make sure deadlines are met, and write (with team input) and be responsible for the final report.

Regional Development Economist: This person will be primarily responsible for supporting the team and conducting the data collection, economic and political economy analysis to underpin the selection of the priority issues and the design of environmental and social policies. This person will have an advanced degree, expertise in quantitative data analysis, and regional economic analysis that has been proven in other similar projects, and 14 years or more of relative experience.

Poverty and Social Impact Analysis Expert: This person will be responsible for conducting the data collection, economic and social analysis to underpin the selection of the priority issues and the design of distributional and poverty alleviation policies. This person will have an advanced degree, expertise in poverty and social impact analysis that has been proven in other projects, and 14 years or more of relative experience.

Institutional Analysis Expert: A specialist with 10 years or more experience in working in policy, governance and institutional analysis, capacity assessment (both in terms of regulatory framework and operational aspects) and institutional strengthening of public sector organizations (both in terms of human development as well as regulatory framework), analyzing gaps and inter-sectoral institutional linkages, and streamlining their functions commensurate with their mandatory obligations.

Stakeholder Analysis Expert: Social scientist with experience in stakeholder analysis and consensus building, resolving conflicts for the types of policy and physical interventions envisaged under the CIP. The expert should be fluent in the local language and have also experience in managing community/stakeholders' consultation workshops – and making them meaningful and objective oriented workshops. Must become thoroughly knowledgeable about the CIP and will be the primary contact person in the country to receive stakeholder input on the project for the duration of the SEPSA.

Environmental Planning and Management Expert: Person with 10 years or more experience in environmental assessment of transport projects, programs and policies. Familiarity with the local environmental regulatory and institutional framework is a must.

Land Acquisition/Resettlement Expert: Expert with 10 years or more experience in dealing with legal and implementation aspects of land acquisition, resettlement, rehabilitation and compensation. Familiarity with the country's Land Acquisition Act, Board of Revenue, land records and the legal system is a must.

Mediation and Conflict Resolution Expert: Person with 10 years or more experience in dealing with policy, legal and institutional issues in relation to dispute resolution, grievance redressal system, formal/informal and legal/quasi-legal systems of conflict resolution.

Human Resource Management Expert: Person with 10 years or more experience in labor policies and laws; policy, governance and institutional analysis in relation to labor-retrenchment; and operational level experience in labor retrenchment and social monitoring pre, during and post retrenchment process.