



ENVIRONMENTAL AND SOCIAL
MANAGEMENT SYSTEM (ESMS)
AUDIT TORS

1. INTRODUCTION

The Government of the Islamic Republic of Pakistan (GOP) has established National Disaster Risk Management Fund (NDRMF) to institutionalize a mechanism to enhance Pakistan's resilience to disasters by strengthening the government's ability to quickly respond to future disasters triggered by natural hazards. The fund focuses on (i) disaster risk reduction (ii) design, development and seeding of disaster risk financing strategies and instruments and (iii) partnerships with other organizations to provide relief and recovery support including livelihood restoration initiatives and reconstruction and rehabilitation of key public infrastructure. NDRMF will provide a common mechanism to pool various contributions from a diverse base of contributors and serve as a vehicle for donor coordination on disaster risk management by the government.

2. IMPLEMENTATION ARRANGEMENTS

NDRMF supports existing government entities and civil society organizations, involved in disaster risk management, including the National Disaster Risk Management Authority (NDMA), Provincial Disaster Risk Management Authorities (PDMA), District Disaster Management Authorities (DDMA), etc. These entities are referred to as **Fund Implementing Partners (FIPs)**, which are accredited through a detailed process consisting of a rigorous review of the applicant entity for its organization procedures, guidelines including safeguards (environment, Social and gender). ISPCs are reviewed and screened for environmental safeguards impacts, risks and recommend appropriate assessment plans.

Since NDRMF does not support large scale projects that may have significant adverse environmental and social impacts and most of the projects are consist of multiple small to medium-scale subprojects/schemes which could be defined under the social and environmental auspices as Category B (requiring IEE/ESMP) & C (checklist) projects as per the donor and national regulations. However, it is envisaged that in future (i.e. phase-II) there might be some large scale projects having significant environmental impacts of category "A" requiring (EIA) for environmental safeguards. For social safeguards there might be Category "B" project requiring short resettlement plan or corrective action plan. Similarly, current small scale subprojects/schemes require Voluntary Land Donation (VLD) which shall be made part of the revised/updated ESMS as policy framework.

It is the responsibility of Fund to screen and assess the project concept and proposals for applicable environment and social safeguards aspects and inform the Fund Implementing Partners (FIPs) to prepare the required assessment documents for review and approval prior to implementation on the ground.

3. ESMS OVERVIEW

Investments guided by NDRMF must be implemented in accordance with the principles of sustainable development, including environmental, social, cultural and economic considerations as per the government of Pakistan's laws and regulation, ADB's requirements for financial intermediaries and environment and social policies of the respective Financing Source(s).

To ensure adherence of the above mentioned policies and principles, a comprehensive Environmental and Social Management System was developed which defines procedures, institutional arrangements and its financing operations for managing adverse environmental and social risks and impacts.

The ESMS has the following fundamental elements: (i) environmental and social policies that clearly articulate the Fund's commitment to environment, social (E&S) and gender mainstreaming objectives and principles based on applicable national E&S laws and regulations and international ratified applicable conventions and agreements that guide the Fund to achieve sound E&S performance, (ii) screening for identification of E&S risks and impacts, and categorization of subprojects based on nature of activities, scale of operations, technology, locations, significance and severity of E&S risks and impacts, (iii) development of procedures to systematically and fully mitigate the identified risks and impacts, (iv) institutional arrangements including organizational structure and staffing with appropriate skills and competencies in ESMS and institutional accountability by defining roles and responsibilities, (v) gender responsive grievance redresses mechanism and (vi) gender inclusive monitoring and reporting procedures.

4. ASSIGNMENT CONTEXT:

In accordance with section 5.5 (ESMS Audit Procedures) of the NDRMF ESMS, an independent third party/audit study is mandated to ensure that environment social safeguard and gender related requirements are adequately implemented and are consistent with the ADB safeguards policies and national regulations and policies.

The study/audit will prioritize high-risk sub-projects, particularly those involving medium to large scale civil works. Another aspect of the audit will be to assess the Fund's capacity regarding safeguards management and based on that recommend prior review requirements of proposal categorization and safeguards plans by the financing source.

Subsequently, the ESMS will be updated by the third party firm for future funding portfolios on multiple donor guidelines (ADB, WB, IFC, USAID, AusAID and GCF) and funding of "Category A" projects in second phase.

5. ASSIGNMENT OBJECTIVE:

The objective of the third party firm is to perform independent assessment of the environmental and social management of NDRMF projects in line with the requirements established in the ESMS. Focus will be placed on examining whether a system for addressing environmental, Social and Gender aspects of the project and sub-project activities are functional and adequately resourced and whether implementation of mitigation measures and established mechanisms as contemplated in the project specific safeguards instruments is in line with the requirements of ESMS. Based on the study findings, gap filling and enhancement measures with agreed action plans will be recommended.

6. SCOPE OF SERVICES

The third party firm will cover the overall project portfolio of NDRMF, however number of subproject schemes to be reviewed under each project portfolio will be decided based on the size and nature of interventions. The focus will mainly be on sub-project activities involving medium – large scale civil works.

Specific responsibilities include:

- i. Develop a broad audit program that will confirm the consultant's understanding of the audit objective, scope, methodology/approach and schedule and prepare an audit checklist that will cover meetings with the relevant stakeholders including NDRMF, FIPs, contractors and supervision consultants (if any). The audit program should incorporate field visits to the selected subproject sites. These sites will be selected in consultation with the NDRMF safeguards team.
- ii. Conduct an environmental and social safeguards audit as per the audit program. This audit will assess the compliance with the ESMS requirements (including documentation, consultation, disclosure, etc.) and relevant legislation and regulatory requirements. The audit will assess whether a system for environmental and social management as stipulated in the ESMS has been duly followed and is fully functional. These include effectiveness of the institutional arrangements, resource adequacy, environmental, gender and social management processes for screening, environmental, gender and social assessments, risk mitigation and oversight, reporting and documentation, and Grievance Redress Mechanism (GRM).
- iii. Assess the FIPs' capacities and resources to implement environmental and social management measures. This covers assessment of institutional capacities of the FIP's project units in the overall implementation of the ESMS and supervision of project consultants and contractors. Key areas of concerns include management of all relevant environmental, gender and social risk mitigation measures of operations, in particular, specific E&S risks that were identified in the ESMS and sub-project environmental and social assessments.
- iv. The assessment shall include feedback on the quality of the environmental, gender and social management reporting, including related reviewing and approving activities, risk management, plans, and project monitoring reports; as well as examining the implementation of mitigation measures and established mechanisms. Such alternative approaches, including stakeholder engagement tools in lieu of site visits shall be

reviewed and approved by the NDRMF safeguards team. Further elaboration of roles and responsibilities of the implementing units under the project to inform this assessment can be referenced in Chapter 5 of the ESMS.

- v. To assess risks related to labor influx, covering Occupational, Health and Safety (OHS) and community, health and safety. Assess the management of such risks at the project and sub-project levels, including whether a system is in place and functions to address risks related to Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH), including Gender-Based Violence (GBV) and Violence Against Children (VAC) in line with the project's ESMS.
- vi. Assess implementation of specific risks related to implementation of Social safeguards, Voluntary Land Donation (VLD), Implementation of short resettlement plan in case of encroachers at site and practices in land acquisition or resettlement as a result of project activities. Key aspects cover consultations, grievance handling, management of risks related to informal land claims and vulnerable groups. Assess the implementation practices of the plans in place for use of private land.
- vii. Assess the effectiveness of the project's Grievance Redress Mechanism (GRM) for subprojects in terms of its accessibility (to both men and women communities), credibility, effectiveness in resolving grievances, resourcing etc.
- viii. Present audit findings and recommend gap-filling and enhancement measures for the overall environmental, social and gender management. Audit results shall be analyzed to identify key issues and gaps to be addressed in continued implementation of the ESMS and E&S risk mitigation measures, and recommendations shall propose clear actions needed to address technical and capacity building gaps. The third party E&S audit team will submit audit reports to the NDRMF and discuss a mutually agreed timeframe for the implementation of proposed follow-up actions. NDRMF will submit all final audit reports to the ADB for review/record. The audit will be deemed as closed only after this review and confirmation on action plans have been obtained.
- ix. While carrying out the social auditing following aspects of ESMS will be critically reviewed according to nature of the sub projects, ground realities and implementation in the field:
 - a. Desk-based Document Review
 - b. Stakeholders consultations
 - c. Social Safeguards Compliance Audit Report and Corrective Action Plan
 - d. Land-based Resettlement Strategy
 - e. Replacement Cost Compensation
 - f. Monitor Outcomes and Impact
 - g. Culturally Appropriate, Gender Sensitive Impact Assessment
 - h. Information Gaps and Limitations
 - i. Compliance review – ADB Safeguard Requirement 2: Involuntary Resettlement
 - j. Indigenous Peoples Compliance Review

7. APPROACH AND METHODOLOGY

The approach and methodology to conduct the audit study will be agreed upon during the inception phase. The inception report should provide all necessary details including but not limited to approach and methodology, work plan, details of subprojects to be visited along with tools (Checklists, questionnaires) to be used for data collection. Prior to submission of inception report, the consultant will conduct a kick-off meeting with NDRMF and ADB officials and follow-up meetings if necessary to ensure all requirements are understood and addressed in the inception report.

Generally, In performing the E&S study/audit, the Consultant team shall review available documentation (e.g., ESMS, VLD Policy Framework ADB safeguard policies, technical reports, bidding and contract documents, environmental and social management instruments and plans, Contractors site specific Environmental Management Plans, Voluntary Land Donation agreements, trainings, GRM system and records, etc.) and identify stakeholders, including community representatives for the purpose of due diligence and audits. Field visits to select sites, stakeholder engagement and beneficiary satisfaction surveys will be carried in coordination with NDRMF. The consultant shall be responsible to develop required assessment tools and identify relevant stakeholders as part of the audit program. These tools and stakeholder engagement plan for the audit purposes shall be reviewed and approved by NDRMF with consent of the ADB.

8. TEAM COMPOSITION, QUALIFICATION AND EXPERIENCE

The audit team must be a Firm with appropriate and sufficient capabilities, resources, and experience to execute the full extent of the scope of services to a very high quality. The team will mainly comprise of relevant experts in environmental management, social risk management, and other experts in specific topics such as OHS and community, health and safety and have both gender in the team. The team must have experience in environmental and social risk management in major infrastructure projects and post-disaster reconstruction and rehabilitation. The profile of team members should demonstrate the following general skills and experience:

- Data collection, Consultative skills and strong report writing skill.
- Strong and demonstrated interpersonal skills, and experience communicating with senior government officials, communities and large groups of people;
- Excellent working knowledge of national legislations and regulations related to environmental and social risk management, and as outlined in the project ESMS, is required for all specialists;
- Field experience and good knowledge of the implementation of ADB's safeguards policy statement (or that of other international financial institutions);
- Proven writing and analytical skills, ability to initiate innovative approaches;
- Proven ability to work as a team player with multi-tasking skills, experience in facilitation, presentation, communication and computational skills, resourcefulness, attention to details and client orientation.
- Competency in the use of standard desktop publishing applications (e.g. Microsoft Office); and

- Ability to communicate and write effectively in English.

Specific qualifications and experiences of the desired team composition are outlined below:

a. Environment Specialist (Key Specialist)

- At least a Master's degree in Environmental Science/ Engineering/ Planning;
- Preferably a minimum of 10 (ten) years relevant professional experience particularly in environmental management of infrastructure projects, disaster risk management;
- Demonstrated experience in environmental impact assessment studies and development of risk management instruments; and
- 7-10 years of experience in conducting similar audit and possess an auditor certification for ISO, and/ or relevant environmental management systems.

b. Social Risk Specialist (Key Specialist)

- At least a Master's degree in social sciences, sociology, anthropology, or community development;
- Preferably a minimum of 10 (ten) years relevant professional experience particularly in social risk management of infrastructure projects, disaster risk management;
- Demonstrated experience in social impact assessment studies and development of risk management instruments, especially addressing impacts on vulnerable or diverse groups (e.g., people with disabilities), land acquisition and resettlement, Indigenous Peoples, etc.; and
- Experience in conducting similar audits, especially in the areas of social risk management.

c. Gender Specialist (Key Specialist)

- At least a Master's degree in social development, public policy, gender studies, or related field;
- Preferably a minimum of 10 (ten) years relevant professional experience or equivalent combination of education and working experience in gender studies, Gender Based violence in disaster management context.
- Demonstrated experience in developing Gender Action Plans and guidelines, management systems, checklists and training courses.
- Experience in conducting similar audits or assessments.

d. Occupational, Health and Safety (OHS) specialist

- At least a Master's degree in environmental sciences, project management, Occupational Health and Safety, or other relevant disciplines;
- Preferably a minimum of 10 (ten) years relevant professional experience particularly in OHS management of infrastructure or civil works projects;
- Demonstrated experience in OHS assessments and supervision and development of OHS management instruments for major infrastructure projects; and
- Experience in conducting similar audits and possess an auditor certification for Occupational Health and Safety Management System (OHSAS)

9. TIME ALLOCATION

The time input will be approximately 40-50 working days for key specialists and at-least 30 days for non-key specialists, subject to extension depending on the number and sizes of subproject samples that will be audited. The time allocation includes completion of the scope of services, and submission and presentation of draft and final audit reports. This time allocation will include field visits to sample sub-project sites and will be facilitated by NDRMF. Relevant professionals from the safeguards team of Fund will accompany the consultants' team.

Further audits will be conducted on an annual basis as per the requirement of ESMS. A new TOR based on findings and lessons-learnt from the audit will be developed by NDRMF and a new procurement process for consultants will be initiated.

10. DELIVERABLES

The consultant shall prepare a separate report assessing the overall management of ESMS implementation, and separate reports for the various subprojects/activities with site-specific findings and recommendation on a sample basis for all FIPs. Subsequently, a synthesis report of gaps, strengths and weaknesses of both overall project and site-specific management of E&S risks, with recommendations for improvement, should be prepared in the final report.

The consultant team is expected to deliver the following outputs:

Output	Timeframe (weeks from the start of contract)
Inception report/audit plan/methodology	03 weeks
Assessing overall project management of ESMS implementation and E&S risk management	08 weeks
Draft report assessing various sub-projects/activities and presentation on findings.	10 weeks
Final audit and revised ESMS report including technical recommendations for overall project and site-specific management of E&S risks, incorporating comments from the NDRMF and the Asian Development Bank (ADB).	12 weeks following approval of the first draft

11. PAYMENT

The payment for this audit will be made in three installments. The first payment equivalent to 20% will be made upon approval of inception report. 40% of the agreed contract value will be disbursed upon submission and approval of the first draft report which is to be submitted 10 weeks after the contract initiation date. The remaining 40% of the payment will be made upon submission and approval of the final audit report and presentation.

12. REPORTING

The consultant team will report to the CEO, NDRMF and work in collaboration with the environmental and social management specialist and other experts assigned for the expected deliverables.

13. PERFORMANCE EVALUATION

If the work of the consultant is not found satisfactory at any stage, CEO, NDRMF holds the authority to suspend the payments of the services. Continuation of the remaining services will be subject to performance evaluation by NDRMF.

