

Outline for setting Terms of Reference for an SEA

This outline aims to assist a proponent in preparing the Terms of Reference (TOR) for a Strategic Environmental Assessment (SEA) in cases where they intend to engage consultants to undertake the SEA.

Terms of reference (TOR) need to be thorough and clear. Research shows that many SEAs are unsatisfactory because they fail to follow basic principles and good practice for SEA. In part, the reason for this is the setting of poor TOR by the PPP proponent—often because they have limited knowledge or experience of the role and nature of an SEA.

Below are suggested generic contents of the TOR for an SEA. They will need to be customized in every case to fit the context and focus of the specific PPP concerned.

List of acronyms

1. Introduction

Provide a background to the SEA. Indicate for what policy, plan, or program (PPP) it is to be undertaken, and why. Summarize the national legal, regulatory, and guideline requirements for SEA in the relevant country, along with any requirements (e.g., safeguards) imposed by organizations (e.g., MDBs) providing funding for the SEA, and emphasize the necessity to comply with these requirements.

2. Follow international principles for an SEA

Indicate that the SEA should follow international principles and good practice for SEA as set out in OECD Guidance for SEA (OECD DAC 2006) and the International Association for Impact Assessment (IAIA) SEA Guidance for the Energy Transition (IAIA 2024).\

3. Description of the PPP

Describe the focus and aims of the PPP, why it is being promulgated, and what it seeks to achieve.

4. Key treaties, accords and policies, plans and proposals to be considered, and useful reports to be consulted

List those that are particularly relevant to the focus of the PPP and SEA under the following categories to guide the SEA team to important framework commitments:

- International treaties and accords/conventions (those ratified by the country and others that may be relevant);
- Legislation and national-level strategies and policies;
- Other useful reports and studies, including relevant Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA) reports.

5. Aims of the SEA

Set out the specific aims of the SEA under the following headings:

5.1 Technical aims

- To provide a thorough **review and assessment of the direct, indirect, and cumulative impacts** (positive and negative) as well as any transboundary impacts of the PPP and development activities, projects, and initiatives that may arise during its implementation. Such assessment should address impacts of different alternatives (including scenarios) to the PPP (see below).
- Identify impacts on national **sustainable development objectives** (local, regional, national) or on achieving the UN Sustainable Development Goals.
- Identify **synergies** (and how these can be enhanced) and **conflicts/antagonisms** (and how these can be minimized, avoided, or mitigated) between project types or development activities likely to arise from PPP implementation.

- Generate development scenarios (to be identified and agreed upon during scoping). These may represent development meta-alternatives that examine how the PPP—and any downstream projects or activities that may arise during implementation—could unfold over the short, medium, and long term, as well as in different combinations under alternative rollout situations (e.g., business-as-usual, low economic growth, moderate growth, and high growth), along with their consequent meta-level impacts.
- Identify where **EIAs** (addressing both environmental and social concerns) may need to be undertaken for particular types of downstream projects/activities likely to arise during PPP implementation and recommend key issues that should be addressed by such EIAs.
- Identify issues that will need to be addressed when preparing a **Strategic Environmental and Social Management Plan (SESMP)** for the PPP.
- Prepare required reports; these should include a **scoping report**, an **interim SEA report** covering the assessment of an alternative, the **SEA report** (focusing on the preferred alternative), and an associated **Strategic Environmental and Social Management Plan (SESMP)** for the PPP. Both draft and final reports will be required.

Indicate that the SEA report should present baseline information, assessments, analysis, and information in a way that is relevant, understandable, and readily usable by policymakers, planners, and decision-makers. The SEA team should liaise directly with the PPP proponent and with the government agency with regulatory responsibility for environmental assessment on the most appropriate format for presenting such information (note: information presentation is likely to require a mix of text, maps, tables, figures, and photographs and could be organized on a GIS basis).

5.2 Capacity building objectives

Indicate whether the country is still building its experience and skill base in SEA. In this regard, the proponent may wish to consider combining the technical assessment functions of the SEA with a capacity-building component to benefit both selected government officials and national environmental/social consultants, as well as recent graduates. This approach could provide opportunities for these individuals to gain on-the-job SEA experience at different stages of the SEA process—working alongside SEA team members, being tutored by them, and undertaking appropriate technical tasks. Additionally, training courses or exercises could be conducted for specific government agencies and other interested stakeholders on SEA in general, specific steps or stages of an SEA, and/or particular methodologies used.

The proponent may wish to indicate that it intends to second one or more government officers (e.g., from the government department or agency responsible for environmental assessment) as adjunct members of the SEA expert team (either full-time or part-time). This approach would enable them to be embedded in the process, gain operational experience in undertaking an SEA, and help increase government “ownership” of the recommendations.

An SEA does not end once the SEA and SESMP reports are submitted. Implementation of the recommendations follows and will likely continue over years. In some countries, those government agencies with roles and responsibilities to implement the actions recommended in a SESMP will require a degree of guidance and support to interpret the findings of an SEA and to both understand and carry out the tasks and roles assigned to them. Thus, the proponent may wish to frame the TOR to include the provision of “follow-up” support to assist the government agencies involved to prepare for and undertake their responsibilities for the recommended management actions.

6. Boundaries of the SEA

Indicate the geographical boundary or extent of the SEA, e.g., national, sector, region, district, catchment, protected area, cross-border, etc., and provide a map where appropriate.

7. Role of Steering Committee or other bodies

Indicate what role particular bodies will have in overseeing, guiding, or evaluating the SEA. It is often advisable to establish an SEA Steering Committee comprising of key government ministries and departments (preferably with representation of other stakeholders).

8. Scope of work to be carried out

Provide a general overview of the scope of the work to be undertaken by the SEA. Indicate what reports should be produced. Also indicate that recommendations should be made in a Strategic Environmental and Social Management Plan (SESMP) on how to mitigate negative environmental and social impacts and how to enhance positive ones. (See Annex 16 for list of issues covered by an SESMP.)

Indicate that these should address environmental and social impacts arising as a result of (a) implementing the PPP itself (mainly through projects/initiatives) and (b) indicate impacts that are likely to be due to developments that are “external” to the PPP—these might arise from other PPPs and might be regional, national, or international in origin (i.e., the bigger picture).

9. Major tasks to be undertaken

9.1 Inception report

Indicate that, following appointment, the SEA team should prepare an Inception Report for the SEA within a prescribed time period (usually within 4 weeks of taking up the assignment), setting out the background, their approach to the SEA to comply with the TOR, the steps to be followed, methods to be used, and providing a provisional timeline.

This Inception Report should indicate what overall approach will be followed for the SEA: impacts-led, objectives-led, or both.

9.2 Stakeholder analysis and action plan

- Indicate that the SEA team should undertake a comprehensive stakeholder mapping covering:
- Primary stakeholders: those ultimately likely to be affected, either positively or negatively, by the PPP and projects/initiatives arising during its implementation;
- Secondary stakeholders: the “intermediaries”—those persons or organizations who are indirectly affected by the PPP and projects/initiatives arising during implementation;
- Key stakeholders (who can also belong to the first two groups): those persons or organizations that have significant influence upon or importance related to the PPP and/or to projects/initiatives likely to arise during implementation or play key roles within organizations.

The SEA team should prepare a **stakeholder participation and disclosure plan** to set out the roles and responsibilities of different stakeholders in the SEA process, indicating when and how they can engage, e.g., through providing information or views, engaging in workshops, meetings, focus sessions, interviews, dialogues, etc., responding to questionnaires, participating in phone-ins or web-based information access/provision, etc. Participation should be a continuous process throughout the SEA but, usually, should be conducted in two main phases:

- (a) *During scoping*—on an extensive basis at national, regional, and local levels—to:
 - Explain the purpose, role, and steps of the SESA process;
 - Enable stakeholders to present their perspective on ETM and engage in identifying/commenting on key environmental and socioeconomic issues and concerns;
 - Obtain the opinions of experts and particular groups (e.g., resource users, IPs, coal mine and coal/diesel power plant workers and their associations, women, vulnerable groups, etc.), particularly through focus group sessions; and
 - Start raising awareness about SESA and building capacity to undertake and engage in the SESA process.
- (b) *Once the draft SEA and draft SESMP are available*—to present the results of the SESA and the main recommendations (including proposals set out in the SESMP). This second round would not need to be as extensive as the first round but should include feedback from multistakeholder workshops at the national level and in the main regions.

Additional consultation events should be organized as required, e.g., to discuss special issues such as reviewing and revising the provisional list of environmental and social quality objectives (ESQOs) and/or the impacts of different energy transition scenarios.

The SEA team should set up a **communication mechanism** to inform stakeholders of such events (date, timing, location, etc.) and indicate how feedback on progress in the SEA will be provided, when draft reports will be available for review, and how (e.g., online, from an office), how stakeholders' views and comments have been addressed, etc.

Indicate that all SEA documents and the SESMP should clearly reflect what stakeholder participation has been organized/facilitated to support their preparation (e.g., listing workshops and meetings with dates), and indicate who participated in events and where a record of meetings and issues raised can be found—preferably minutes of all meetings and events should be attached as appendices to the master documents.

The above tasks may be undertaken as part of, or in parallel to, scoping (see 9.3).

9.3 Scoping requirements

Indicate that scoping should verify, deepen, and extend any preliminary analysis and undertake the following:

- A **review of relevant literature**, including relevant international treaties and accords/conventions; national-level policies, regulations, and strategies; relevant policies and plans; and EIAs and specialist studies undertaken in the SEA area;
- **Consult with stakeholders** as well as **interested and affected parties** (I&APs) (including national, local, and municipal authorities, relevant parastatals, concerned groups, local communities, technical experts, etc.) on identifying key issues and gathering stakeholder perspectives/views on the proposed PPP. This can be done through workshops, 'focus group' meetings, interviews, and electronic communications;
- Take into account **more recent developments** (e.g., the release of new regulations or new proposed PPPs or projects) that might have relevance to or interact with the PPP being assessed;
- Secure the **opinions of experts**;
- An **analysis of the country's laws, policies, regulations, strategies, and action plans**, as well as permit requirements insofar as they are relevant to the issues at hand;
- An **analysis of the country's** guidelines insofar as they are relevant to the issues at hand (to determine their relevance and applicability to the SEA area). Where national safeguards are not in place, then other relevant safeguards may be consulted (e.g., those of the World Bank (2017b)), ADB, or other multilateral development banks);
- Identify and secure agreement on Environmental and Social Quality **Objectives** to be used during the assessment and as a platform for SESMP recommendations.
- Identify possible **alternatives** to the PPP or its components that should be considered by the SEA and establish definitions/characterizations for each alternative.
- Identify and secure agreement on **scenarios** to be developed against which the impacts of the preferred alternative for the PPP should be assessed.
- Identify how the SEA can strengthen the existing **institutional and practitioner capacity in SEA**.

A scoping report should be prepared. Indicate that this will be provided to the Steering Committee, circulated to relevant government ministries, agencies, and other stakeholders, and provided to the public for comment prior to its finalization.

Indicate that if any significant changes are made to the TOR, it may be necessary to advise stakeholders of those and seek comments before the SEA team proceeds further.

9.4 Preparation of work plan

State that this should clearly set out all activities, outputs, and a timeline, and indicate which team members will be involved, and when, in particular steps.

9.5 Baseline studies

Indicate the need to prepare a baseline profile of the SEA area. This will require the SEA team to carry out research and analysis (drawing from published and unpublished, official and unofficial sources, existing EIA reports, and ongoing work) and prepare a baseline profile of the SEA area, documenting environmental, social, economic, governance, and other key characteristics, as well as any related trends, in sufficient detail to provide a basis for subsequent assessment of impacts. These characteristics may be listed in the TOR if preliminary scoping has been undertaken prior to appointing the SEA team.

If the team finds that there are significant data gaps, or if specialist studies are found to be required (that might take time), the team should communicate this to the proponent (and Steering Committee, where appointed) so that a decision on how to proceed can be taken.

Box 3.7 in Section 3.3.8 (Chapter 3) of the guidance lists typical information that should be included in a baseline profile. The TOR should include such a list.

9.6 Legislative and regulatory profile

Indicate that the SEA team should prepare a concise overview of relevant national laws and regulations and internal commitments (e.g., under Conventions/MEAs that are pertinent to the PPP), with specific reference to compliance requirements and constraints. This should include a description of pertinent standards governing, *inter alia*, health and safety, waste discharge, and noise. Also, the SEA team should provide a justified opinion as to whether any of the possible development downstream projects, activities, or other initiatives that may arise when implementing the PPP could be deemed illegal under national or international law, especially (but not only) in the context of effluent discharges into watercourses and air, and where developments may be located in or may affect national parks, wetland sites), or other protected areas.

The profile should also include a matrix-based, cross-comparative analysis of interactions between legal and regulatory instruments, particularly showing where any are in conflict with each other with regard to how they might influence, promote, or impede development PPPs, projects, or initiatives, and thus where clarification or harmonization may be necessary.

9.7 Development of Environmental and Social Quality Objectives

Indicate that if an objectives-led approach to the SEA is deemed to be necessary (this may be required if, for example, data is inadequate or unavailable to enable an impacts-led approach), then the SEA team should develop a suite (maximum 30) Environmental and Social Quality Objectives (ESQOs) that are a response to the key environmental and socioeconomic issues identified during scoping.

Subsequent assessment will determine whether implementation of the PPP will enhance or impede achieving the agreed ESQOs. The ESQOs should conform with objectives committed to by the country in existing policies and international accords/conventions, treaties, and protocols (ICTPs) to which the country is a signatory. See Section 3.3.4, Chapter 3, for further information.

9.8 Assessment of environmental and social impacts

Indicate that the SEA team will be required to undertake a thorough **review and assessment of the direct, indirect, and cumulative impacts** (positive and negative) of the developments and initiatives that will be likely to arise during implementation of the PPP under different scenarios (including but not limited to business-as-usual scenarios and future low, moderate, and high growth scenarios—meta-alternatives). Scenarios may be generated through multi-stakeholder brainstorming workshops. The SEA should also assess the impacts of agreed alternatives identified during scoping.

The assessment should include identifying **synergies** (and how these can be enhanced) and **conflicts/antagonisms** (and how these can be minimized or mitigated) between elements of the PPPs and between different PPPs.

The assessment should identify where **EIAs** (addressing both environmental and social concerns) may need to be undertaken for particular projects/initiatives likely to arise during PPP implementation and recommend key issues that should be addressed; and provide an outline TOR for such EIAs indicating key issues that will need to be addressed.

9.9 Key themes and issues to be addressed by the SEA

Indicate any key themes, issues, existing projects, activities, and developments underway and planned in the area covered by the PPP. These may have been identified during preliminary scoping, and the SEA will need to focus on these. During scoping, the SEA team should verify these (through interactions with stakeholders) and identify any other issues that may need to be added, e.g.,

- **Protection and conservation of critical and sensitive areas, and fragmentation of habitats and resources**
- **Demand on natural resources** (current and future; legal and illegal)—forests, land, water, wildlife, minerals, etc.
- **Land tenure, land-use (current and forecast), and land-take** (arising from developments and infrastructure)
- **Hydrology and drainage patterns**
- **Visual impacts** and deterioration of sense of place—as rural and urban development changes the character of NCR and its municipalities.
- **Pollution of land, air, and water** due to effluent and waste discharges from industrial developments, pollution from accidents, other land-based pollution, and physical changes as a result of the new infrastructure and new companies/industries.
- **Loss of aquatic life and altered ecological functioning** due to pollution or other factors.
- **Accident risks**, especially from transport trucks, chemical spillages, and road traffic accidents.
- **Biodiversity loss**, both from physical disturbance (habitat alteration) and pollutants.
- **Strain on municipalities and communities**, e.g., if the PPP may stimulate an influx of job seekers. In this case, there will be both positive and negative impacts. Specific issues of concern may be increased crime, overcrowding (with social and health consequences), and strain on physical and social infrastructure.
- **Health risks** because of pollution from industrial developments reaching nearby communities from all possible pathways, but especially air. Also, issues such as light pollution, noise, and increased electromagnetic radiation need to be addressed.
- **Other social issues** such as education, skills, livelihoods, poverty, gender concerns, access to resources, migration, population change, cultural dilution, etc.
- **Protection of cultural and religious assets and heritage sites**
- **Settlements and settlement patterns, and urban expansion**
- **Trans-boundary issues** (trade, transport, tourism, management of critical resources such as water, etc.)
- **Economic issues**, especially the benefits of the PPP and projects arising during implementation in terms of direct and indirect jobs, import substitution, taxes, and likely spin-offs.

9.10 Key elements when assessing impacts

Indicate that positive and negative impacts should be evaluated in terms of their importance at local, regional, national, or international level, and also with regard to their short- and long-term magnitude, significance, frequency of occurrence, duration, and probability.

The SEA should distinguish between primary, secondary, synergistic, and short- and long-term cumulative effects and should consider at least a 30-year time frame.

It should be indicated when impacts are likely to be irreversible or unavoidable and which ones can be mitigated—and the degree of confidence that the SEA team attaches to their assessment of each impact and the likelihood of avoidance/mitigation being successful.

Indicate that if the SEA team identifies any significant flaws in relation to the PPP that require application of the precautionary principle, this should be clearly indicated and justified in the report (and communicated to the Steering Committee and PPP proponent immediately).

The impact assessment process must include a combination of literature review, specialist studies (where needed—to be identified and budgeted for by prospective consultants in their proposals and confirmed during scoping), expert opinion, stakeholder opinion, and rigorous analysis. It is a requirement that a comprehensive public participation and disclosure process be followed.

9.11 SEA report requirements (basic contents)

Indicate that the SEA team should prepare an SEA report that is concise and focused on significant environmental and social issues. The main text should include findings, conclusions, and recommended actions (in a SESMP), supported by summaries of the data collected and citations for any references used in interpreting those data. Detailed or uninterpreted data are not appropriate in the main text and should be presented in appendices or a separate volume. Unpublished documents used in the assessment may not be readily available and should also be assembled in an appendix or made available on a website dedicated to the SEA. Wherever possible, data should be summarized in tables, and where relevant and appropriate, the text should be supported by figures and photographs.

The SEA report should be presented according to the outline in Annex 7 of the SEA guidelines.

9.12 Strategic Environmental (and Social) Management Plan (SESMP) (basic contents)

Indicate that the SEA team should prepare a Strategic Environmental and Social Management Plan (SESMP) for the PPP, setting out:

- Measures to enhance positive and prevent, minimize, or mitigate adverse environmental and socioeconomic impacts associated with PPP implementation;
- Measures to monitor indicators linked to ESQOs (where used as a basis for assessment) and indicate institutional roles and responsibilities (including how stakeholders can be involved).
The objectives of monitoring are to ensure that:
 - Mitigation and restoration measures are implemented;
 - Mitigation and restoration measures are effective, i.e., have the intended result;
 - Remedial measures are undertaken where mitigation and restoration measures are inadequate or where the impacts were underestimated in the SEA study;
 - Compliance with national (and international) standards is assessed.
- Any adjustments required to laws and regulations or to institutional arrangements to enable efficient and effective implementation of the PPP;
- Measures to build necessary capacity for these (e.g., awareness-raising, training);
- Budgetary, staffing, and equipment requirements.
- Recommendations for EIAs of subsequent renewable energy projects (by type).
- Measures should aim to ensure synergy with relevant (national and/or other) environmental and social safeguards.

Ideally, the recommendations should be developed in consultation with the institutions likely to have responsibility for their implementation. This will help to ensure their practicality and create buy-in and ownership, thus increasing the likelihood of adoption and implementation.

See Annex 16 of this guidance for the recommended content of a SESMP.

9.13 Public disclosure of draft reports

The SEA team should work with the proponent/steering committee to ensure that two notices regarding the draft SEA report (and draft SESMP) are published, each one week apart, in newspapers with a nationwide circulation or announced through broadly used social media and in other local media. The public should be allowed a fixed period (conventionally 30 working days from the date of the first advertisement) to submit comments on the draft reports. The invitation for public

comments (notice) should state where the plan and SESA documents can be found (e.g., on a dedicated SEA website or physically at a designated office) and how, by when, and to whom comments should be submitted.

10. Monitoring and review of SEA and SESMP

Indicate what monitoring, evaluation, and review procedures will apply to the SEA and SESMP.

11. Work schedule

Indicate the time period within which the SEA and SESMP should be completed and the requirement for the SEA team to submit a detailed work plan and schedule of activities in the inception report.

12. Deliverables

Indicate the deliverables required, e.g.,

1. Inception report, including work plan
2. Stakeholder analysis and stakeholder engagement plan
3. Scoping report
4. Quarterly progress reports
5. Interim SEA report
6. Draft and final reports on any special studies conducted
7. Draft and final SEA report
8. Draft and final SESMP (if required separately).