

Managing climate and environmental impact in interventions

Guidelines for partners seeking financial support
from Sida

Last updated: 2026-10-12

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Guidelines for partners seeking financial support from Sida

This document describes Sida's process for managing climate and environmental impact in interventions. It guides partners seeking financial support from Sida through the steps of the process and clarifies roles and responsibilities at each stage. The document consists of two parts: Part I provides the background and purpose for managing climate and environmental impact in interventions. Part II provides practical guidance for partners and explains how to apply the process in practice.

If you are already familiar with the background and purpose of Sida's process for managing climate and environmental impact in interventions, you can go directly to Part II and the [Practical guidance for partners](#).

Part I

Background and purpose

Purpose and added value

Climate and environmental considerations shall be taken into account in all Sida-funded contributions¹. The purpose of this process is to enhance the effectiveness and long-term sustainability of Sida's support. The process helps achieve this by identifying opportunities to contribute positively to the climate

¹ In line with Sida's rule for contribution management and Climate and Environment Policy.

and environment, assessing climate and environmental risks arising from the intervention, and identifying vulnerabilities that may affect its long-term results.

The process for managing climate and environmental impact is central to integrating these considerations into the design, implementation and follow-up of the intervention. The process also provides a basis for informed and proportionate decision-making throughout the implementation cycle, helping Sida and its partners identify and address relevant climate and environmental considerations.

Climate change, biodiversity loss and pollution directly affect all people's living conditions and can undermine development results. A stable and resilient planet is the basis for sustainable development. People living in poverty rely directly on natural resources for their livelihoods and are therefore more exposed to environmental degradation, and climate-related risks. If climate and environmental impact is not considered, there is a risk of undermining poverty reduction and long-term development outcomes of Sida-funded activities. On the other hand, considering climate and environmental impacts before implementing an intervention can add value through improved effectiveness and strengthened long-term sustainability of the intervention's results, while also supporting partners in strengthening their capacity to manage climate and environmental risks and opportunities.

Policy foundation

Sida's process for managing climate and environmental impacts in interventions is in line with Sida's Climate and Environment Policy² and Sweden's relevant international commitments on climate, environment and biodiversity³ It is further informed by relevant international good practice, in particular recommendations from the Organisation for Economic Co-operation and Development (OECD).⁴ The process is part of Sida's broader Environmental Management System, which supports Sida in managing the environmental

² Swedish International Development Cooperation Agency (Sida), *Climate and Environment Policy*, 2022, Stockholm

³ Such as the Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC); the Convention on Biological Diversity (CBD) and the Kunming–Montreal Global Biodiversity Framework

⁴ Organisation for Economic Co-operation and Development (OECD), *Recommendation of the Council on Environmental Assessment of Development Assistance Projects and Programmes* (OECD/LEGAL/0458, 2020). Available at: <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0458>

impacts of its own operations as well as those associated with the intervention it funds, while continuously working to improve environmental performance.

Opportunities, risks and vulnerabilities

The process applies a risk- and opportunity-based approach that is proportionate to the expected climate and environmental impacts of the intervention. Climate and environmental considerations go beyond a “do no harm” approach. This means focusing on the opportunities, risks, and vulnerabilities that are most relevant to the proposed activities.

Where climate and environmental impacts are considered material, partners are expected not only to identify and manage climate and environmental risks arising from the intervention, but also to consider opportunities to contribute to enhancing positive environmental outcomes and to strengthen resilience to external climate and environmental risks. The aim of this process is to achieve wider integration of climate and environmental outcomes, where relevant and feasible (Figure 1). Climate and environmental considerations should therefore inform the design, implementation and follow-up of interventions.

Figure 1. The box explains what Sida means by climate and environmental integration in interventions.

What is climate and environmental integration?

For Sida, climate and environmental integration refers to the systematic incorporation of relevant climate and environmental considerations into the design, implementation and follow-up of an intervention, regardless of its primary objective.

This involves using the process for managing climate and environmental impact in interventions to inform the Sida programme officer’s decisions on how and to what extent climate and environmental risks are managed, vulnerabilities addressed and opportunities for positive climate and environmental outcomes enhanced.

Integration can take different forms, ranging from adjustments to reduce risks and strengthen resilience to the introduction of specific climate and environmental objectives and activities.

Process for managing climate and environmental impact in interventions

The process for managing climate and environmental impact in interventions consists of screening, assessment, action planning and follow-up. The process is guided by three overarching principles:

1. **opportunities** for the intervention to contribute positively to the climate and the environment;
2. **risks** to the climate and environment arising from the intervention;
3. **vulnerabilities** to climate and environment risks that may affect the intervention, its target groups and its long-term results.

Sida considers both how the intervention may affect the climate and environment and how climate and environmental risks and vulnerabilities may affect the intervention, its target groups and its long-term results.

Figure 2 briefly explains the five steps of the process. The next section provides partners with practical and more detailed guidance for each step.

Figure 2. The figure gives a summary of the five steps of Sida's process for managing climate and environmental impact in interventions.

Step 1: Screening by Sida

Sida screens the intervention to determine the expected level of climate and environmental impact and whether additional information is required.

Step 2: Assessment by partners

Where required, the partner provides additional information through an assessment proportionate to the expected climate and environmental impacts of the intervention. Depending on the nature and scale of the impacts, this may range from a partner-led analysis to a more comprehensive in-depth assessment.

Step 3: Assessment by Sida

Sida assesses the information from the partner and evaluates identified opportunities, risks, vulnerabilities and proposed actions.

Step 4: Action plan and agreement

Sida and the partner engage in dialogue to agree on appropriate actions.

Step 5: Follow-up

Agreed actions and identified opportunities, risks and vulnerabilities are monitored and followed up throughout the implementation period.

Part II

Practical guidance for partners

This section explains how to apply Sida's process for managing climate and environmental impact in interventions in practice. It guides you through the steps of the process and clarifies roles and responsibilities at each stage. The section is intended to help partners understand their role in the process, how proposed interventions are categorised according to their expected impacts, and how to fulfil Sida's corresponding requirements and expectations.

Step 1. Screening of climate and environment impact by Sida

All proposed interventions are screened by Sida to determine the expected level of climate and environmental impact and whether additional information is needed from the partner. Depending on the nature and scale of the impacts, this may range from a partner-led analysis to a more comprehensive in-depth assessment. Sida carry out the screening as part of the appraisal process.

1.1. Sida reviews available information

A quick review of the information you have provided is carried out to determine whether there is sufficient information to complete the screening. If not, Sida will ask for additional or clarifying information before proceeding with the appraisal.

For support where specific activities or locations are not yet known, such as core support, guarantees or broader programmes, the screening is adapted to the nature of the intervention and often more focused on the partner's systems and capacity to manage climate and environmental impacts. Sida also considers potential climate and environmental risks associated with the potential sectors or activities to be supported. Recommendations from OECD

provides further guidance on activities that warrant particular attention.⁵ These include substantial changes in land and natural resource use, farming and fishing practices, water resource development, infrastructure, industrial and extractive activities, waste management, and activities in or near critical habitats.

1.2. Sida screens and categorises

Sida determines the expected level of climate and environmental impact and assigns one of the three categories: **High**, **Moderate** or **Low** impact.

A standard set of questions guide Sida's categorisation by identifying questions that may indicate High or Moderate impact, including critical questions that may trigger a High impact categorisation. Figure 3 describes the basis of the categorisation.

Figure 3. Describes the basis for how Sida categorises interventions according to expected climate and environmental impact.

Basis for categorisation

Categorisation is based on the nature, scale, context and likely significance of environmental, climate-related and social impacts. Interventions are screened for characteristics commonly associated with higher environmental and social risk, such as large-scale infrastructure or construction activities, significant impacts on natural habitats, protected areas or water resources, the generation of hazardous waste, pollution risks, land acquisition or displacement, restrictions on access to natural resources, and exposure to climate-related hazards. The categorisation considers both the severity of potential impacts and the extent to which they can be avoided, mitigated or managed through appropriate measures.

1.3. Sida communicates requirements

After the screening is completed, Sida communicates the results and share this documents including applicable requirements and expectations. This is done regardless of the assigned category. Table 1 provides indicative examples of the types of projects that may fall into the different categories and requirements for

⁵ Organisation for Economic Co-operation and Development (OECD), *Recommendation of the Council on Environmental Assessment of Development Assistance Projects and Programmes* (OECD/LEGAL/0458, 2020). Available at: <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0458>

partners per category. [Step 2. Assessment guide for partners](#) provides further guidance on the requirements.

Table 1. The table provides indicative examples of the types of activities that fall into each category and the associated requirements of the partner per category.

Category	Partner requirement
High impact Indicative examples - Construction of large-scale infrastructure such as dams, major roads or energy plants. - Land-use changes that will involve resettlement, significant deforestation or conversion of natural habitats. - Large-scale agricultural or industrial investments with significant emissions, waste or water extraction.	In these cases, the partner should commission an Environmental Impact Assessment (EIA), an Environmental and Social Impact Assessment (ESIA) or equivalent. An ESIA is an independent, in-depth assessment of potential environmental and social risks and impacts. It should reflect relevant international good practice and applicable national legislation and standards.
Moderate impact Indicative examples - Rehabilitation of existing infrastructure (roads, irrigation systems, public buildings). - Support to value chains or SMEs with moderate resource use or waste generation.	In these cases, the partner should conduct a climate and environmental analysis in line with Sida's requirements. This is a structured analysis of climate and environmental opportunities, risks, vulnerabilities.
Low impact Indicative examples - Capacity-building, training, policy support or institutional strengthening with limited climate and environmental impact. - Social sector programmes such as education, health or gender equality initiatives with limited climate and environmental impact.	In these cases, further analysis by the partner is not mandatory. However, conducting a climate and environmental analysis can still add value for the results of the intervention through improved climate and environment consideration.
Insufficient information Further information is required before categorisation.	If the available information is insufficient to assign a High, Moderate or Low impact category, obtain the additional or clarifying information needed to complete the screening. A category should be assigned before a decision on intervention is made.

Step 2. Assessment guide for partners

You, as an organisation seeking financial support from Sida, is responsible for this step. The following section includes guidelines and tips for how to meet Sida's requirements for each of the three categories **High**, **Moderate** and **Low** impact. We recommend reading the subsequent steps before starting the assessment process to understand the full process and how your assessment will be used to inform the following steps.

Information on available support functions can be found [here](#).

High impact

High-impact interventions may have significant climate and environmental impacts and therefore require partners to commission an in-depth assessment by an independent party. This may take the form of an Environmental Impact Assessment (EIA), Environmental and Social Impact Assessment (ESIA), or equivalent assessment (hereafter referred to as EIA). Such assessments are typically required under national environmental legislation and should be initiated early in project or programme planning.

The Terms of Reference for the assessment should reflect international good practice, including consideration of the OECD Recommendation of the Council on Environmental Assessment of Development Assistance Projects and Programmes.⁶ In preparing the Terms of Reference, consideration may also be given to relevant good practice guidance developed by multilateral development banks, development finance institutions and other internationally recognised organisations.

In preparing for and commissioning an independent party to carry out the assessment some considerations may include that:

- *the assessment will be carried out by a qualified and independent expert;*
- *the assessment will comply with applicable national legislation and reflects relevant international good practice;*

⁶ OECD, *Recommendation of the Council on Environmental Assessment of Development Assistance Projects and Programmes*, 2020, (OECD/LEGAL/0458, 2020). Available at: <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0458>

- *the assessment will identify significant climate, environmental and social impacts;*
- *the assessment will include meaningful stakeholder consultation including affected communities and vulnerable groups;*
- *the assessment will propose realistic mitigation and management measures; and*
- *the assessment will provide a sound basis for a climate your environmental action plan.*

Where an EIA has already been commissioned or is underway, you are encouraged to share relevant information from that process, including its status and any available findings. Sida will, where appropriate, make use of existing assessments to avoid duplication of effort.

Moderate impact

Moderate impact interventions require partners to conduct a context-specific climate and environmental analysis in line with Sida's requirements (hereafter referred to as analysis). The analysis serves as the basis for integrating climate and environment into planning, implementation and monitoring of interventions. This guidance outlines the requirements and supports you in carrying out the analysis.

Sida requires the analysis to be conducted according to three overarching principles and should identify: 1) **opportunities** for the intervention to contribute positively to the climate and the environment; 2) **risks** to the climate and environment arising from the intervention; 3) **vulnerabilities** to climate and environment risks that may affect the intervention, its target groups and its long-term results. Further, the analysis should be evidence-based and proportionate to the nature, scale and context of expected climate and environmental impact.

Format and scope of the analysis

The analysis may be adapted to the scope and focus of the intervention, as appropriate. It could take the form of a simple exercise that involves a small team for a few hours, to a more extensive process that engages large parts of the organisation over a period of time. To ensure relevance and ownership, you are encouraged to engage different parts of the organisation and stakeholders in the assessment. The analysis may be conducted in close cooperation between your organisation and Sida. In case you do not have the internal competence within your organisation to conduct an analysis, the cost for a consultant to conduct

the analysis can be proposed in the budget submitted to Sida as part of the proposal. In case you as a partner forward funding to other entities, it is your responsibility as a partner to Sida to ensure that these entities comply with the requirements above.

The result of the analysis can be reflected as a paragraph in the proposal; as an integrated part of the context analysis, description of activities and monitoring system; or a full document annexed to the proposal. However, in order to ensure that Sida does not finance an unsustainable pathway, the three principles must be included in the analysis. In case an analysis is missing at the time of appraisal, Sida will require you to submit the analysis ahead of any decision.

What to include in the analysis

This section provides guidance on what the analysis should contain, including guiding questions for each of the three overarching principles described above.

Understanding the specific context

The analysis must be context-specific, meaning you should show that you have taken into consideration the geographic and political context for where the proposed intervention is to be implemented. This could range from climate and environmental conditions in the specific geographical area and how regional/national legislation may influence the design and implementation of the intervention.

Examples of what include in the analysis:

- *A description of what the context look like now and what climate and environmental challenges can be foreseen in the future;*
- *How the environmental situation impact the people and their health, well-being, livelihood and security, now and in the future;*
- *How different groups (including vulnerable groups or marginalised communities) may be affected by environmental degradation, climate change and loss of biodiversity;*
- *How national, regional and/or international¹ legal mechanisms can be taken into account.*

Opportunities

Identify opportunities to contribute positively to the climate and the environment including opportunities for longer-term benefits for socio-economic development and transformation to green economies and resilient

societies, as well as for contributing to international commitments on the environment.⁷

Examples of what include in the analysis:

- *A description of potential positive outcomes from the contribution to reduce pollution and emissions of greenhouse gases, halting loss of biodiversity, and environmental protection, directly as well as indirectly by for example strengthening legal and institutional capacity to address such issues;*
- *Identified specific measures to enhance positive outcomes;*
- *Proposed relevant objectives and indicators that can be used to monitor these measures.*

Risks

Identify risk of negative climate and environmental impacts that may result from the planned activities. The purpose is to understand potential risks and avoid and mitigate harm.

Examples of what include in the analysis:

- *A description of potential negative impacts and risks in terms of pollution of land, air, water and soils, climate impact and loss of biodiversity, given the scope of the intervention and the geographical and environmental context;*
- *An evaluation of the likely significance of identified risks, including likelihood of their occurrence;*
- *Identified specific measures to manage and mitigate these risks;*
- *Proposed objectives and indicators can be used to monitor the management of these risks.*

Vulnerabilities

Building on the context analysis, analyse whether the planned activities has climate and environmental-related vulnerabilities that may affect the contribution, its target groups and its long-term results (striving for that the intervention is resilient to climate change and other environmental changes).

Examples of what include in the analysis:

- *A description of the resilience of the contribution to external risks such as exposure to climate-related hazards (e.g. floods, droughts, extreme heat or storms) and the potential risks threatening the sustainability of the results of the contribution;*
- *An evaluation of the likely significance of identified risks, including likelihood of their occurrence;*
- *Identified specific measures to manage and mitigate these risks;*
- *Proposed objectives and indicators can be used to monitor the management of these risks.*

Organisational capacity

Your analysis should also include whether you have the organisational capacity to manage identified climate and environmental risks and opportunities. Demonstrate the ability to implement proposed mitigation and enhancement measures in practice, including through adequate resources and internal processes.

Examples of what include in the analysis:

- *relevant staff competence and clearly defined roles and responsibilities for managing environmental and climate-related aspects,*
- *describe environmental policies, guidelines or management systems, appropriate to the nature of the contribution;*
- *describe systems in place for monitoring and reporting on environmental and climate-related aspects; and*
- *include identified any capacity gaps and proposed realistic and proportionate measures to address them.*

If you are channelling funding to other entities, describe whether you have adequate systems and procedures in place to ensure that requirements related to managing climate and environmental impact are met throughout the implementation chain.

If you are in need of external expertise, make sure this is appropriately planned for, including in the project budget.

Where relevant, you may also consider your internal environmental practices, such as measures related to energy use, travel, procurement and waste management. See Sida's [guidance on Greening the office](#) for practical examples and tips.

Low impact

For Low impact interventions, you are not required to submit additional information to Sida, as the risk of significant negative climate and environmental impact is considered low. However, you may still want to consider opportunities to contribute positively to climate and environmental sustainability. Such consideration can add value through improved effectiveness and strengthened long-term sustainability of the intervention's results, while also supporting you in strengthening your organisation's capacity to manage climate and environmental risks and opportunities. If you are interested to explore

opportunities to work on climate and environmental sustainability you may use the guidance for [Moderate impact interventions](#) and conduct a climate and environmental analysis.

Note that a Low categorisation does not exempt the intervention from compliance with Sida's climate and environment policy.⁸ Sida does not support activities that may cause significant environmental harm or that are incompatible with its policy framework, including investments in fossil fuel-based energy systems.⁹ Interventions should also be aligned with relevant international commitments on climate, environment and biodiversity.¹⁰

If new information emerges, or if the scope or context of the intervention changes, Sida will reassess the categorisation to ensure it remains appropriate.

Step 3. Assessment by Sida

Once you have shared additional information with Sida as required, we will make an assessment of the material and findings. The approach to our assessment depends on the impact category that was assigned in [Step 1 Screening of climate and environment impact](#).

High and Moderate impact

For interventions categorised as High and Moderate impact, Sida assesses the quality and the findings of the in-depth assessment (High) or climate and environmental analysis (Moderate) provided by the partner and agree any necessary adjustments to the interventions. An important part of the assessment is to understand if the in-depth assessment or analysis results in a clear and feasible action plan. An action plan is mandatory for interventions categorised as High and Moderate. Sida also assess the partner's systems and capacity to implement and follow up on agreed measures.

In [Step 4. Action plan and agreement](#), Sida and you engage in dialogue to discuss the findings and agree on the way forward.

⁸ Sida's [Climate and Environment Policy](#); The Regulation for Environmental Management in Government Agencies (2009:907) and the Regulation for Government Climate Adaptation Work (2018:1428)

⁹ Sida, [Appraisal guide Fossil free heat and power](#), 2025 :

¹⁰ Such as the Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC); the Convention on Biological Diversity (CBD) and the Kunming–Montreal Global Biodiversity Framework

Low impact

As described in [Step 2. Assessment by partners](#), for interventions categorised as Low impact there is no mandatory requirement for you to submit additional information. If you have voluntarily chosen to submit information to Sida we will assess this information in the same way we would for a Moderate impact intervention.

Sida's overall approach to the assessment is guided by the same three principles as described above and as listed in Figure 3.

Figure 4. The three guiding principles for Sida's assessments.

All of Sida's assessments are be guided by three overarching principles:

1. **opportunities** for the intervention to contribute positively to the climate and the environment;
2. **risks** to the climate and environment arising from the contribution;
3. **vulnerabilities** to external climate and environment risks that may affect the contribution, its target groups and its long-term results.

Step 4. Action plan and agreement

For High and Moderate impact interventions it is mandatory to have an agreed action plan that reflects the findings of your in-depth assessment (High) or climate and environmental analysis (Moderate). Following Sida's assessment in Step 3, Sida and the partner engage in dialogue to agree on how the findings can be addressed in the design, implementation, and follow-up of the intervention. You, as a partner, should strive to adjust the proposal based on the assessment and dialogue. Sida should support you in taking action on the assessment as far as possible.

The action plan should include:

- *concrete and proportionate measures to address identified risks, vulnerabilities and opportunities (including monitoring and reporting);*
- *clearly defined responsibilities (person/unit);*
- *a realistic timeline;*
- *relevant indicators if you decide to include additional climate and environmental objectives in the contribution; and*

- *budget considerations, where relevant.*

Step 5. Follow-up

The agreed action plan is used as a basis for follow-up and dialogue with between Sida and partners throughout implementation. Where relevant, you and Sida can use the regular follow-up processes, such as reporting, evaluations, annual meetings, dialogue and field visits, to assess progress and identify whether adjustments are needed.

Need support?

Contact your Programme Officer at Sida if you need support in relation to the process for managing climate and environmental impact in interventions. Sida can provide advice and offer support throughout the process.

Sida's [Green Toolbox](#) also provides further guidance for partners, additional tools and thematic briefs.

