

Environmental and Social Management System(Draft)

September 2019

BAN: Supporting Bangladesh Infrastructure Finance Fund Limited (BIFFL)

Prepared by Bangladesh Infrastructure Finance Fund Limited for the Asian Development Bank

CURRENCY EQUIVALENTS

(as of 1 September 2019)

Currency Unit – taka (Tk)

Tk1.00 = \$0.012
\$1.00 = Tk84.28

ABBREVIATIONS

ADB	-	Asian Development Bank
AP	-	affected people
ARIPA	-	Acquisition and requisition of immovable property act
ARIPO	-	acquisition and requisition of immovable property ordinance
DOE	-	Department of Environment
ECA	-	environment conservation act
ECR	-	environment conservation rules
EIA	-	environmental impact assessment
EMP	-	environmental management plan
ERM	-	environmental risk management
ESMS	-	environmental and social management system
ESRM	-	environmental and social risk management
GOB	-	Government of Bangladesh
GRM	-	grievance redress mechanism
IEE	-	initial environmental examination
IPP	-	indigenous peoples plan
MOEFCC	-	Ministry of Environment Forest and Climate Change
MOF	-	Ministry of Finance
PAM	-	project administration manual
RP	-	resettlement plan
SPS	-	Safeguard Policy Statement

NOTE

- (i) In this report, "\$" refers to US dollars.

This environmental and social management system arrangement is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

CONTENTS

	Page No.
1.0 INTRODUCTION	1
2.0 ENVIRONMENTAL AND SOCIAL MANAGEMENT POLICY AND APPLICABLE REQUIREMENTS	2
3.0 ENVIRONMENTAL AND SOCIAL MANAGEMENT PROCEDURES	8
4.0 ORGANIZATIONAL RESPONSIBILITIES, RESOURCES AND CAPACITY	12

List of Tables

Table 2.1	Relevant Environmental Regulations and Policies
Table 3.1	Safeguard Requirements
Table 4.1	Allocation of Responsibilities

List of Figures

Figure 2.1	DOE Process for Obtaining the ECC
Figure 4.1	Project Implementation Arrangements
Figure 4.2	Proposed Organizational Structure of PMU
Figure 4.3	Dhaka Bypass Subproject – Implementation Arrangements

List of Annexes

Annex 1	ADB Prohibited Investment Activities List
Annex 2	Safeguard Requirements 1-3 of the ADB Safeguard Policy Statement
Annex 3	Rapid Environmental Assessment (REA) Checklists
Annex 4	Social Safeguards Screening Checklist
Annex 5	Subproject Safeguards Categorization BIFFL Request for Endorsement/Approval
Annex 6	Outline of Environmental Impact Assessment for Subprojects
Annex 7	Outline of Resettlement Plan for Subprojects
Annex 8	Outline of Indigenous Peoples Plan for Subprojects
Annex 9	Outline of an Environmental and Social Due Diligence Report
Annex 10	Scope for an Annual Environmental Monitoring Report for Sub borrowers
Annex 11	Scope for an Annual Social Safeguards Monitoring Report for Sub borrowers
Annex 12	Outline of an Annual Environmental and Social Performance Report for BIFFL

1.0 INTRODUCTION

To provide long-term infrastructure finance, Government of Bangladesh (GOB) has established two complementary public sector financial institutions: Infrastructure Development Company Limited (IDCOL) in 1997 and the Bangladesh Infrastructure Finance Fund Limited (BIFFL) in 2011. IDCOL was mandated to fund predominantly private sector-led infrastructure and industrial projects, such as in private power generation, and BIFFL was mandated to fund public sector-led infrastructure projects, such as public roads and highways, sea and air ports, urban water and sewage systems, power generation, and other energy projects, particularly those developed by the Public Private Partnership Authority Bangladesh (PPP Bangladesh).

BIFFL seeks funding from the Asian Development (ADB) for on lending to public-private partnership (PPP) subprojects. Overall, the fund will (i) provide critically needed long-term debt to help BIFFL improve its capital structure to sustain its lending operations; (ii) strengthen BIFFL's institutional capacity; (iii) leverage and catalyze greater commercial infrastructure finance; (iv) finance PPP pilot project from PPP Bangladesh, advised by ADB Office of Public Private Partnership (OPPP); and (v) introduce and improve environment, social safeguard, gender, and other international practices whenever possible.

All subprojects of BIFFL that will require ADB funds will be screened against the Prohibited Investment Activities List (PIAL) of the ADB Safeguard Policy Statement (SPS) 2009 (Annex 1).¹ The SPS 2009 sets out the requirements for the environmental and social safeguards that apply to all ADB-financed projects and grants. Under SPS 2009, projects or grants are screened and categorized based on their potential environmental and social impacts.

No project will be funded by ADB if it does not comply with SPS 2009, nor the environmental and social laws and regulations of Bangladesh including those laws implementing their obligations under international law. If there is discrepancy between ADB and government policies, SPS 2009 will prevail.

Sub loans that may use ADB funds include (i) construction loans, (ii) refinance of costlier foreign currency loans, (iii) working capital and bridge loans, and (iv) other financing modalities to support PPP subproject completion. To qualify for ADB finance, all subprojects will be reviewed for compliance with ADB project implementation guidelines, including qualified PPP structure, bankability, technical efficiency, and environment and social safeguards. The potential subprojects should:

- (i) support infrastructure development (e.g., rail system, highway, rural road, port, water supply and treatment, waste management, power generation, renewable energy, health and education, among many others) in Bangladesh;
- (ii) be developed by a public sector sponsoring agency (e.g., a Government line ministry or a local Government agency); and,
- (iii) be undertaken by a contractor (e.g., project company) which does not have shares, or does not have sponsors which have shares owned by GOB.

¹ADB. Safeguard Policy Statement 2009, p. 19. <http://www.adb.org/sites/default/files/institutional-document/32056/safeguard-policy-statement-june2009.pdf>.

2.0 ENVIRONMENTAL AND SOCIAL MANAGEMENT POLICY AND APPLICABLE REQUIREMENTS

2.1 Environmental and Social Management Framework for BIFFL

BIFFL has prepared an environmental and social monitoring framework (ESMF) in 2014 that provides details on relevant policies, guidelines, and procedures to be integrated into the implementation of BIFFL projects to ensure compliance to the requirements of GOB.²

On 4 February 2019, the Chief Executive Officer signed the environmental and social (E&S) commitments of BIFFL as follows:³

- a) Comply with all pertinent national and international E&S policy, laws, rules, regulations, acts, legislations and best practices;
- b) Initiate the awareness building activities for leaving an exemplary environment and society for the future generations as a matter of responsibility;
- c) Promote and Finance green business, sustainable technology and environmentally friendly development under favourable terms and conditions;
- d) Incessantly improve its activity and operation through reducing the E&S impact by screening, monitoring and evaluating E&S factors;
- e) Assure the balance between economic growth and E&S aspects considering efficient consumption of resources;
- f) Exhort the client to implement environmentally friendly processes and enthusiastically manage E&S risk arising from the activities in which they are involved;
- g) Mainstream the E&S aspects in collaboration with client and stakeholder and ensure the protection of affected minor/ethnic group and conservation of biodiversity; and,
- h) Disclose the Environmental and Social report, policy, guideline on its website.

To streamline screening and review procedures, this environmental and social management system (ESMS) arrangement is prepared and will be applied to subprojects that will require funding from ADB. The objectives are: (i) to avoid, and when avoidance is not possible, to minimize and mitigate adverse impacts of subprojects on the environment and affected people; and, (ii) to maximize opportunities for environmental and social benefits.

BIFFL will continually endeavor to ensure and enhance effective environmental and social management practices in all its activities, products and services with a special focus on the following:

- (i) Ensure that applicable environmental and social safeguard requirements, as defined by GOB, Bangladesh Bank,⁴ and SPS 2009 are met for all subprojects;⁵
- (ii) Finance companies and/or government agencies only when the subprojects are expected to be designed, constructed, operated, and maintained in a manner consistent with applicable environmental and social safeguard requirements of GOB, Bangladesh Bank, and SPS 2009;
- (iii) Integrate environmental and social risk into its internal risk management analysis;

²BIFFL. Environmental and Social Monitoring Framework 2014. <https://biffil.org.bd/esmf/>.

³BIFFL. E&S Commitment. <https://biffil.org.bd/es-commitment/>.

⁴Bangladesh Bank. Guidelines on Environmental & Social Risk Management (ESRM) for Banks and Financial Institutions in Bangladesh, 2017.

⁵The term "investments" can be referred also for business activities financed in part or in full by BIFFL using ADB funds.

- (iv) Ensure appropriate consultation and transparency in their activities with sub borrowers;
- (v) Work together with borrower's management to put into practice applicable environmental and social safeguard requirements; and,
- (vi) Promote subprojects with environmental and social benefits.

This ESMS arrangement will be communicated to all staff and operational employees of BIFFL and will be implemented as soon as ADB funds become effective and will be completed by end of 2023. The process will be reviewed every year and updated (if needed) to ensure its relevance, applicability, and robustness in relation to the environmental and social implications of BIFFL operations in relation to ADB funding. The review of the arrangements will be driven by changes in the business mandates, processes, and portfolio of BIFFL; and updates and/or revisions in applicable safeguard policies and regulations of GOB and ADB.

2.2 Applicable Environmental and Social Safeguard Requirements

In addition, BIFFL will ensure that:

- (i) all subprojects are screened against the PIAL;
- (ii) all proposed subprojects with potential significant environmental and/or social impacts are reviewed and evaluated against Safeguards Requirements 1-3 of SPS 2009 (Annex 2);⁶ and,
- (iii) all proposed subprojects are reviewed and evaluated against the national laws, regulations, and standards on environment, labor (including against internationally recognized core labor standards), health, safety, involuntary resettlement and land acquisition, indigenous peoples, and physical cultural resources.

2.2.1 Applicable National Legal and Policies and Other Requirements

Environmental agency The Ministry of Environment, Forests and Climate Change (MOEFCC) is the agency responsible for planning, promotion, coordination and overseeing the implementation of environmental and forestry programs. MOEF manages all national environmental matters and is responsible for activities such as prevention and control of pollution, forestation and regeneration of degraded areas and protection of the environment, and in the framework of legislations. MOEF also conducts surveys, impact assessment, control of pollution, research, and collection and dissemination of environmental information and creation of environmental awareness among all sectors in Bangladesh.

Created in 1989, the Department of Environment (DOE) performs the regulatory functions under the MOEF. DOE is the primary government agency responsible for implementing and enforcing environmental management regulations to ensure sustainable development, and to conserve and manage the environment. The DOE ensures that environmental rules and regulations are applied consistently, and also provides guidance, training and promotional campaign on improving the awareness of environmental issues.

Environmental regulations The Bangladesh *Environment Conservation Act* (ECA) of 1995 provides for the protection of the environment, improvement of environmental standards, and the control and abatement of environmental pollution. This Act authorizes the DOE to undertake any activity needed to conserve and enhance quality of environment and to control,

⁶Annex 2 is derived from Appendixes 1-3 to the ADB SPS 2009

prevent and mitigate pollution. The *Environment Conservation Rules (ECR)* of 1997 (adopted under the provision of ECA 1995 and amended in 2002 and 2003) provides rules related to the declaration of ecologically-critical areas, obtaining environmental clearance certificate (ECC), environmental quality standards, acceptable limits for discharges of waste, and environmental guidelines on pollution prevention. ECA 1995 and ECR 1997 outline the regulatory mechanism to protect the environment in Bangladesh. Aside from ECA 1995 and ECR 1997, **Table 2.1** presents a summary of relevant environmental regulations.

Table 2.1 Relevant Environmental Regulations and Policies

Regulation	Brief Description
National Environmental Policy, 1992	Approved in May 1992, this policy provides for the basic framework for environmental action together with a set of broad sectoral action guidelines. Key elements include: (i) maintenance of ecological balance and overall progress and development through protection and improvement of the environment, (ii) protection against natural disasters, (iii) identification and regulation of all types of activities that pollute and degrade the environment; (iv) ensuring sustainable use of all natural resources, and (v) active association with all environmentally-related international initiatives.
Disaster Management Act 2012	Coordinates activities on disaster management, object-oriented and strengthened and to formulate rules to build up infrastructure of effective
Environment Court Act 2000 (amended in 2002 and 2010)	Under the Judiciary and MOEF, this Act ensures the resolution of disputes on environmental and social damages resulting from any development activities. This also allows for the completion of environment-related legal proceedings effectively.
Vehicle Act 1927, the Motor Vehicles Ordinance 1983, and Bengal Motor Vehicle Rules 1940	These regulations are under the Bangladesh Road Transport Authority (BRTA) which control vehicular emissions and noise including road safety.
The Forest Act 1927 (amended in 1982 and 1989)	Under the jurisdiction of MOEF, this Act aims to protect the forest resources.
National Forest Policy (amendment) 1994	The National Forest Policy of 1994 is the amended and revised version of the National Forest Policy of 1977. The policy is designed to conserve the existing forest areas, bring about 20 % of the country's land area under the Forestation Program, and increase reserve forests by 10 percent per year to 2015 through coordinated efforts of GoB-NGOs and through active participation of the people.
The Antiquities Act 1968 (amended 1976)	Regulations that provide for the preservation and protection of antiquities.
Wetland Protection Act 2000	The law suggests protecting water bodies of the cities, divisional and district towns and municipalities. The water bodies in the rural areas are outside the jurisdiction of this Act. However, the Act does not have any provision that prohibits construction of any kind of permanent or temporary structure within a determined distance of the water bodies.
Natural Water Bodies Protection Act 2000	According to this Act, the character of water bodies i.e.

Regulation	Brief Description
	rivers, canals, tanks, or floodplains identified as water bodies in the master plans or in the master plans formulated under the laws establishing the municipalities in division and district towns shall not be changed without approval of concerned ministry. This Act is under the Rajdhani Unnayan Kartipakkha/Town Development Authority/Municipalities.
Wildlife (Protection and Safety) Act 2012	Provides for the conservation and safety of biodiversity, forest and wildlife of the country by repealing the existing law relating to conservation and management of wildlife of Bangladesh. Under this Act, hunting, trapping, killing of wildlife are strictly prohibited.
The Protection and Conservation of Fish Act 1950 (amended 1973, 1982, 1995, 2002)	This Act provides for the protection and conservation of fish. This Act defines fish as “all cartilaginous, bony fishes, prawn, shrimp, amphibians, tortoise, turtles, crustacean animals, molluscs, echinoderms and frogs at all stages in their life history.”
The Embankment and Drainage Act, 1952	Consolidates the laws relating to Embankments and drainage providing provision for the construction, maintenance, management, removal and control of embankments and water courses for the better drainage of lands and for them protection from floods, erosion or other damage by water.
Bangladesh Water Act 2013	Makes provisions for integrated development, management, abstraction, distribution, use, protection and conservation of water resources
Bangladesh Labour Act 2006, Bangladesh Labor Act 2013, Factory Rule 1979	These regulations aim to protect the interests and rights of the workers, in provision of comfortable working environment, reasonable working conditions, and to ensure workers' safety. This also provides for the prohibition of employment of children and adolescent.
Bangladesh Labour Rules 2015	The rules state compliance procedure to engage manpower and obtaining approval of the Manpower Policy. The Rules prescribe the process and forms for the registration of manpower supply agencies under the Labour Act and use of certain forms for various register such as service book, labour register, leave register, etc.

Overview of the environmental approval process Under the ECA 1995, Section 12 provides that no industrial unit or project can be established or undertaken without securing an ECC from the DOE. Following the requirements of ECR 1997, the DOE has classified various development interventions according to the potential adverse environmental impacts for the purpose of issuing the ECC. This classification includes: (i) green; (ii) orange-A; (iii) orange-B; and (iv) red. Green category refers to industries or projects considered to be relatively pollution-free, thus, no environmental study will be required while the Red category refers to industries/projects which may cause significant adverse environmental impacts and therefore, require an EIA.

For projects and industrial units classified as Orange-A, Orange-B, and Red (those that may have potential adverse environmental impacts), securing the ECC involves two steps: (i) issuance of site clearance certificate (SCC), and then (ii) the ECC.

SCC will be issued by the DOE upon approval of the IEE, receipt of the No Objection Certificate (NOC), which a “proof of authorization” to initiate a project, and the ECC will be issued upon the approval of the EIA. The project proponent cannot open line of credit in favor of importable machineries and cannot start any physical activities for the project without the EIA approved by the DOE. **Figure 2.1** shows the process of securing the ECC from the DOE including the documents required.

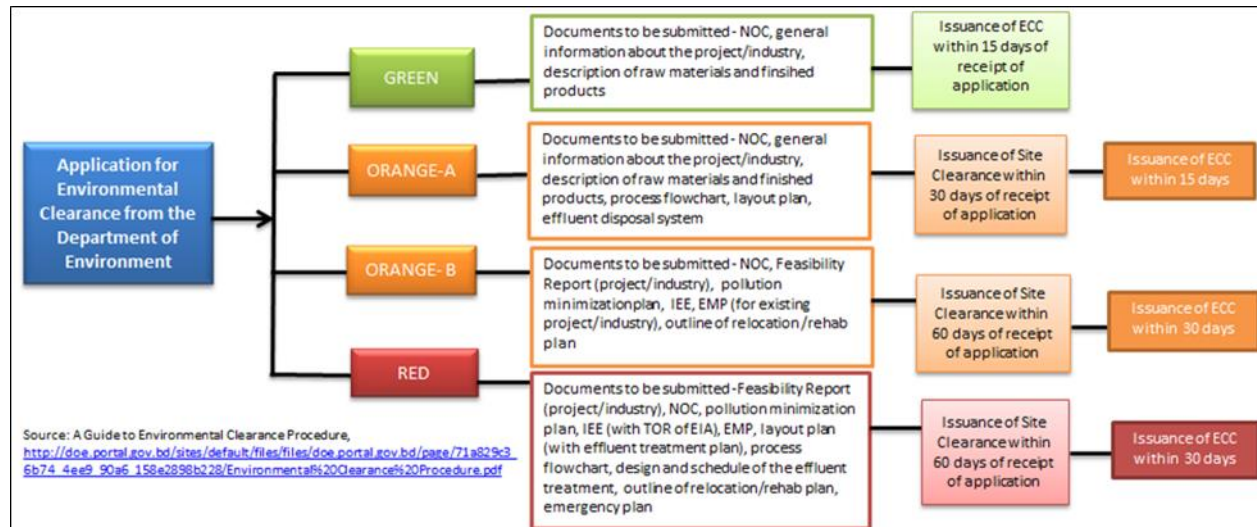


Figure 2.1 DOE Process for Obtaining the ECC

Land Acquisition and Resettlement Article 42 and Article 47 of the Bangladesh Constitution 1972 set forth the basic principles of property compensation while the Land Acquisition Act 1894, and the Acquisition and Requisition of Immovable Property Ordinance (ARIPPO) 1982 (amended in 1994, 1995, and 2004) are regulations being enforced by the Revenue Department. However, ARIPPO 1982 has been revised and the current policy framework for land acquisition and resettlement will now be based on the *Acquisition and Requisition of Immovable Property Act of 2017* (ARIPA 2017).

Under ARIPA 2017, the Deputy Commissioner (DC) is provided with the power to initiate the acquisition of any property in any locality within the district of the DC that is likely to be needed for a public purpose or in public interest. The compensation will be paid for (i) land and assets permanently acquired (including standing crops, trees, houses); and (ii) any other damages resulting from the acquisition. ARIPA 2017 also sets forth the acquisition of properties that belongs to religious organizations such as mosques, temples, pagodas and graveyards acquired for public interest; and provide certain level of safeguards to landowners through payment of “fair value” for the properties acquired. Relevant sections from ARIPA 2017 on compensation are as follows:

- (i) Section 4 (1) provides that if it appears to the Deputy Commissioner (DC) that a property in any locality is needed or likely to be needed for any public purpose or in the public interest, the DC will cause a notice to be published at convenient places

- on or near the property following the prescribed form and manner declaring that the property is proposed to be acquired.
- (ii) Section 4 (2) indicates that in case of acquisition of immovable property from any non-governmental person or organization, whatever be the amount of the immovable property, sanction of the government must be taken prior to initiating the acquisition.
 - (iii) Section 4 (3) provides that the DC, under sub-section (1)- (a) before the publication of notice in the prescribed manner and form, shall record the real nature, condition and infrastructures built therein, crops and trees of the proposed immovable property in video or still picture or any other technology, and based on these, will prepare a report.
 - (iv) Section 4 (9) provides that the Commissioner, in the prescribed manner, shall hear the appeal under sub-section 8 and shall provide with the decision within next 15 working days and in case of a nationally important project, shall provide with the decision within the next 10 working days.
 - (v) Section 4 (13) provides that generally, religious places, graves or crematoriums can be taken into acquisition. Provided that, if it essential in public purpose or public interest, by relocation and rebuilding, in the own money of the requiring persons or organizations, it may be taken into acquisition.
 - (vi) Section 5 (3) provides that the DC -
 - (a) if the property exceeds 50 standard *bighas* (or 16.5 acre) of land, submit the record of the proceedings together with the opinion held by the DC for the decision of the Ministry of Land; and
 - (b) if the property does not exceed 50 standard *bighas* (or 16.5 acre) of land, submit the record of the proceedings held by him, together with his opinion for the decision of the Commissioner.
 - (vii) Section 7 (1) provides that when GOB, the Divisional Commissioner or the DC has decided for acquisition of any property under section 5 or the proviso to section 6, the DC shall cause public notice to be given in the prescribed manner at convenient places on or near such property stating that the DC, has decided to acquire the property and intends to take possession thereof.
 - (viii) Section 8 (1) provides that on the date so fixed, or on any other date to which the enquiry has been adjourned, the DC shall proceed to enquire into the statement, if any, which any person has made pursuant to a notice given under section 7 and into the value of the property at the date of the publication of the notice under section 4, and into the respective interests of the persons claiming the compensation and shall make an award of (a) the compensation which, in his opinion, shall be allowed for the property; and (b) the apportionment of the said compensation among all the persons known or believed to be interested in the property, of whom, or of whose claims, he has information from the latest record of the proposed *mouja* for acquisition.
 - (ix) Section 9 (1) provides that in determining the amount of compensation to be awarded for any property to be acquired under this Part, the DC shall take into consideration- (a) the market value of the property at the date of publication of the notice under section 4; (b) the damage that may be sustained by the person interested, by reason of the taking of any standing crops or trees which may be on the property at the time of the making of the joint list; (c) the damage that may be sustained by the person interested by reason of severing such property from his other property; (d) the damage that may be sustained by the person interested by reason of the acquisition injuriously affecting his other properties, movable or immovable, in any other manner, or his earnings; and (e) if in consequence of the

acquisition of the property, the person interested is likely to be compelled to change his residence or place of business, the reasonable expenses, if any, incidental to such change.

- (x) Section 9 (2) provides that while the government is acquiring land, it shall provide the persons interested with compensation of 200 per centum of the market price as defined in sub-section 1(a): Provided that if the government acquires the land for any non-government person then the amount of compensation shall be 300 per centum.
- (xi) Section 9 (3) provides that in cases of injuries made under sub-section 1(b), (c), (d) and (e), additional 100 per centum compensation shall be provided.
- (xii) Section 9 (4) provides that notwithstanding any compensation provided under this section, necessary steps may be taken to rehabilitate evicted persons due to acquisition in the prescribed form.
- (xiii) Sections 29 to 32 provide for an appointment of arbitrator, the notice of hearing and the scope of proceedings.

Any divergence between ARIPA 2017 and SPS 2009, the provisions on compensation outlined in SPS 2009 will prevail.

Indigenous Peoples The protection of the fundamental rights of all citizens, which include indigenous peoples, are provided for in the *1972 Constitution* (Articles 11, 19 and 28). Specifically, Articles 23 and 24 set forth the protection of the cultural tradition of indigenous peoples. The *Chhoto Nagpur Tenancy Act* of 1908 allows for (i) individual ownership of lands to ethnic communities, and whereby the transfer of tribal land to non-tribal people without the permission of the Deputy Commissioner would be illegal; (ii) free to profess and practice their religions and develop their own culture, and (iii) “*Adivasi*” right to protect their own land.⁷

3.0. ENVIRONMENTAL AND SOCIAL MANAGEMENT PROCEDURES

3.1 Screening and categorization

During the identification stage for a possible subproject, the Environmental and Social Safeguard (ESS)⁸staff (or BIFFL consultant) will refer to the Prohibited Investment Activity List (PIAL) (Annex 1) to check if it involves a prohibited activity. If it does, the sub borrower or government agency will be informed that the subproject will not be considered.

If the possible subproject is not listed in the PIAL, the ESS staff (or BIFFL consultant) will work with the sub borrower to make a rapid assessment of the potential environmental and social impacts associated with the subproject. The rapid environmental assessment (REA) checklist (Annex 3) and social safeguard screening checklist (Annex 4) are designed to guide the ESS staff (or BIFFL consultant) and the sub borrower in determining the significance of the potential impacts of the prospective subproject.

Upon completion of the environment and social safeguard screening checklists and verification work are done by the ESS staff (or BIFFL consultant), the subproject will be classified as one of the following categories: category A (with potential significant environmental and/or social impacts); category B (with less significant environmental and/or social impacts), and category C (with minimal or no impacts). The applicable safeguard requirements are given in Section 2.2

⁷*Adivasis* is Bangladesh's minority tribal group.

⁸Environmental and Social Safeguard staff in BIFFL

and summarized in Table 3.1. The ESS staff (or BIFFL consultant) can submit the environment and social safeguard checklists to designated safeguard staff of ADB or in Bangladesh Resident Mission (BRM) for confirmation and endorsement of the categorization. Annex 5-A and 5-B presents the form to request for confirmation or endorsement of the safeguard’s categorization of the subproject.

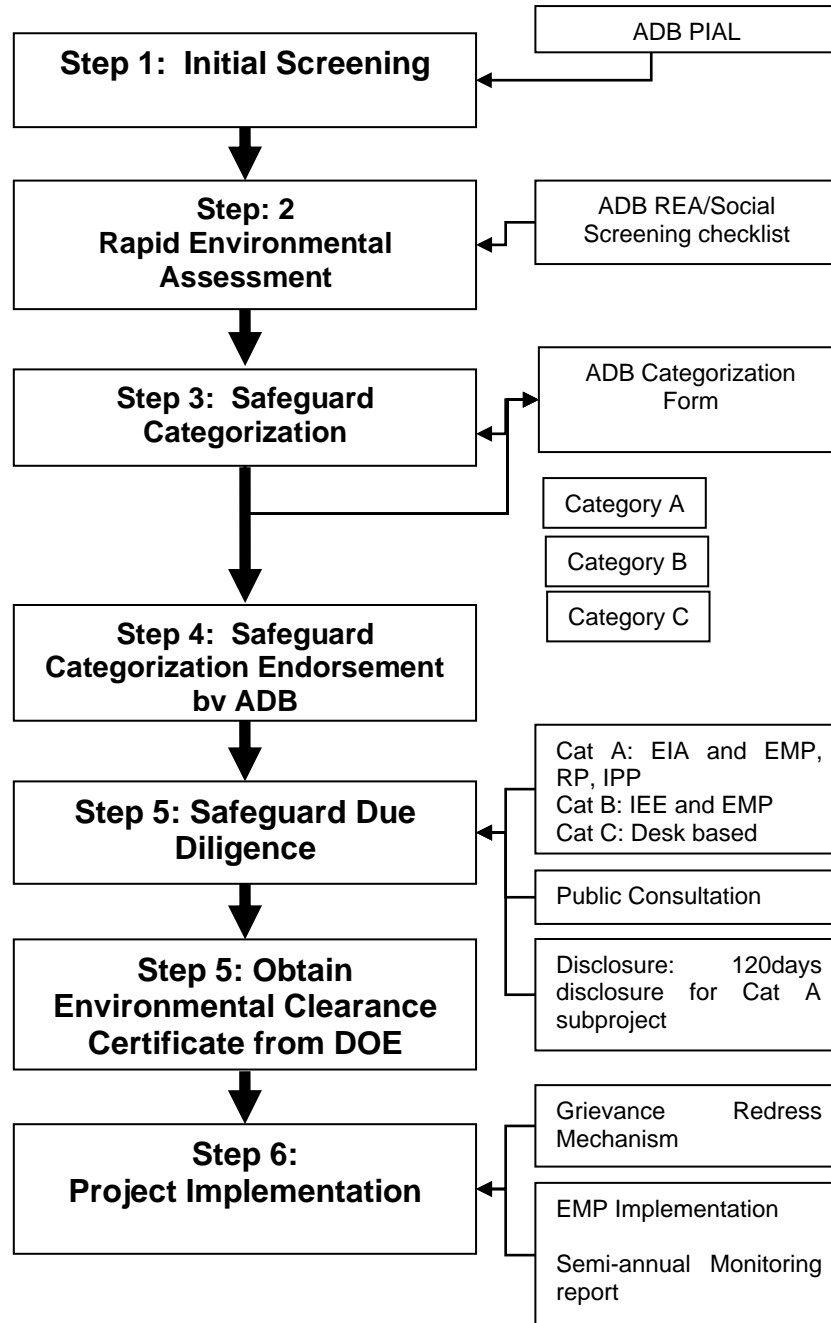


Figure 3.1: Flow diagram showing Environmental Safeguard Due Diligence of ADB Financed BIFFL Project.

Once the categorization has been endorsed by ADB, the ESS staff will advise the sub borrower of the required safeguard due diligence (refer to Table 3.1). For subproject with potential significant environmental and/or social impacts (i.e., category A), the ESS staff (or BIFFL consultant) will inform the sub borrower that (i) Safeguard Requirements 1-3 of the SPS 2009 will apply, including the preparation of an environmental impact assessment (EIA), a resettlement plan (RP), and/or an indigenous peoples plan (IPP); and (ii) the sub borrower shall submit these reports to BIFFL for initial review. BIFFL will also submit these reports to ADB for review to ensure compliance with the requirements of SPS 2009. Outlines for an EIA, RP, and IPP are given in Annex 6, Annex 7, and Annex 8, respectively.

Table 3.1 Safeguard Requirements

Category (Risk Rating)	Environmental Safeguards	Involuntary Resettlement Safeguards	Indigenous Peoples Safeguards
Category A (with potential significant impacts)	Comply with (i) Safeguard Requirements 1 of the ADB Safeguard Policy Statement, including EIA preparation & submission, and (ii) national laws	Comply with (i) Safeguard Requirements 2 of the ADB Safeguard Policy Statement, including Repreparations & submission, and (ii) national laws	Comply with (i) Safeguard Requirements 3 of the ADB Safeguard Policy Statement, including IPP preparation & submission, and (ii) national laws
Category B (with less significant impacts)	Comply with (i) Safeguard Requirements 1 of the ADB Safeguard Policy Statement, including IEE preparation & submission, and (ii) national laws Comply with national laws and ADB's PIAL	Comply with national laws and ADB's PIAL	Comply with national laws and ADB's PIAL
Category C (with minimal or no impacts)	Comply with national laws and ADB's PIAL	Comply with national laws and ADB's PIAL	Comply with national laws and ADB's PIAL

Source: ADB, Involuntary Resettlement Safeguards: A Planning and Implementation Good Practice Sourcebook (Draft Working Document, November 2012), Appendix 4.

For subproject with less significant potential impacts (i.e., category B), the ESS staff will inform the sub borrower of the national requirements given in Section 2.2.1.

3.2 Due diligence

The ESS staff (or BIFFL consultant) will conduct environmental and social due diligence. Depending on the complexity of the subproject, due diligence can be a desk review (for category C subproject), based on a site visit (for category B subproject), or a full-scale review conducted by the ESS staff (or BIFFL consultants) or by 3rd party consultant(s) (for category A subproject).

The sub borrower must provide all requested information to ESS staff (or BIFFL consultant), and should be able to demonstrate responsiveness with regard to the applicable environmental and social safeguard requirements. A due diligence report will be prepared for category A and B subprojects and the results of the due diligence will be reflected in the report to the Investment Division of BIFFL, who will consider these safeguard issues in approving the subproject. Annex

9 presents an outline of a due diligence report.

For a subproject that may be category A for any of the environment, involuntary resettlement, or indigenous peoples impacts, BIFFL will refer the subproject to ADB and provide relevant environmental and social information to ADB early in its due diligence process, and submit the draft EIA, draft RP, and/or draft IPP to ADB for review and clearance before the subproject is approved by the Investment Division of BIFFL.⁹The draft EIA will be publicly disclosed to ADB website at least 120 days before the approval of the subproject, and the draft RP and draft IPP will be made publicly available before the approval of the subproject.

All subproject agreements will contain appropriate environmental and social covenants requiring the subproject to be in compliance in all material respects with the applicable environmental and social safeguard requirements as defined in Section 2.2.

3.2.1 Public consultation and disclosure of information

Public consultation is not required by national regulations but has been included in the terms of reference (ToR) for EIA required by the DOE in securing the site clearance. SPS 2009 requires public consultation and participation as one of the key elements in conducting safeguards due diligence. BIFFL will require the sub borrower to ensure that public consultation is an integral part of safeguards due diligence.

For category A subprojects, BIFFL will require the sub borrower to conduct public consultations at the scoping stage of the environmental and social assessment; and as soon as the safeguards documents have been completed to present to the key stakeholders the significant findings of the assessments.

For refinance and/or existing projects at an advanced stage that is category A, public consultations will be carried out during the environmental and social compliance audit to determine the implementation of environmental management plan (EMP), and if corrective action plan (CAP) will be required.

Disclosure requirements BIFFL will submit the following documents to ADB for disclosure to their website:

- (i) For category A subproject, a draft EIA including EMP at least 120 days with additional time required for incorporating comments on the draft EIA and/or EMP prior to ADB Board consideration;
- (ii) Final EIA/IEE;
- (iii) New or updated EIA/IEE and CAP prepared during project implementation, if any; and,
- (iv) Environmental monitoring reports submitted by the sub borrower to BIFFL during implementation (semi-annual).

⁹For a category A subproject involving facilities and/or business activities that already exist or are under construction, BIFFL will require the sub borrower or government agency to conduct an environmental and/or social compliance audit, and submit the draft audit report to ADB for review and clearance before the subproject is approved. The draft audit report will be made publicly available at least 120 days before the approval of the subproject. A typical environmental and/or social audit report includes the following major elements: (i) executive summary; (ii) facilities description, including both past and current activities; (iii) summary of national, local, and any other applicable laws, regulations, and standards; (iv) audit and site investigation procedure; (v) findings and areas of concern; and (vi) corrective action plan that provides the appropriate corrective actions for each area of concern, including costs and schedule.

- (v) Draft RP and/or IPP endorsed by sub borrower prior to approval of BIFFL Board of Directors;
- (vi) Final RP and/or IPP endorsed by the sub borrower;
- (vii) A revised and updated RP and/or IPP, and a CAP prepared during project implementation, if required; and
- (viii) Social monitoring reports submitted by the sub borrower to BIFFL during implementation.

Approved safeguards documents by BIFFL (i.e., EIA, IEE, CAP, RP, IPP and safeguards monitoring reports) will be posted to their website. BIFFL will ensure that sub borrower will disclose relevant project information in a timely manner, in an accessible place, and in a form and language(s) understandable to affected persons and other stakeholders.

BIFFL will submit semi-annual report to ADB on the status of implementation of the arrangements for environmental and social safeguards management. This semi-annual report will be also posted to the ADB website.

3.2.2 Grievance redress mechanism

For category A and category B subprojects, the sub borrower will establish a grievance redress mechanism (GRM) and at least a three-member grievance redress committee (GRC) consisting of an authorized and ESS staff (or BIFFL consultant), an elected member (local body) from the project area, and one member from the public who is known to be a person of integrity, good judgment, and commands respect among the members of the community. Details of the GRM and the GRC will be disseminated to the affected persons through printed handouts, billboards at construction sites, and their websites (if any). The complainant is not restricted to seek redress through the legal system at any point in the GRM process.

The sub borrower will document all complaints received, the action taken on each of them, and will include these details in the environmental and social monitoring reports to be submitted to BIFFL (i.e., semi-annually during construction and annually during operation). The GRC will address grievances on safeguards during implementation and will be scaled depending on the risks and adverse impacts of the subproject. The associated costs in setting up and maintaining the GRM will be borne by the sub borrower.

3.3 Compliance monitoring and reporting

Upon approval of a subproject that is category A or B, the ESS staff (or BIFFL consultant) will inform the sub borrower and will regularly confirm (at least semi-annually) that it is undertaking the obligations of compliance with all applicable environmental and social safeguard requirements. BIFFL will promptly inform ADB of any actual or potential non-compliance of the requirements after becoming aware of it. For a category A subprojects, the ESS staff (or BIFFL consultant) will visit the site to monitor the implementation of EMP, RP, and/or IPP.¹⁰

On an annual basis, the environmental and social performance will be evaluated. The performance benchmark will be the ongoing compliance against the applicable environmental and social safeguard requirements of GOB and ADB. BIFFL will ensure that the sub borrower prepares and submits an annual environmental and social monitoring report (Annex 10 and

¹⁰For a category A subproject involving facilities and/or business activities that already exist or are under construction, the ESS staff (or BIFFL consultant) will do site visits to monitor the implementation of the EMP and/or CAP, if any.

Annex 11). The annual environmental and social monitoring reports will be reviewed by BIFFL and assess its performance on environmental and social safeguard issues.

Following the review of annual monitoring reports and performance assessment of category A and category B subprojects, the ESS staff (or BIFFL consultant) will prepare an annual environmental and social performance report (Annex 12) and submit it to the Investment Division of BIFFL and ADB. Compliance with core labor standards and national labor laws will be part of the report submitted to ADB.

BIFFL can opt to engage independent E&S consultants to conduct an annual audit on the implementation of the ESMS arrangements. BIFFL will prepare an annual E&S performance report based on the annual audit and the findings from the safeguards monitoring reports submitted by the sub borrower. The annual E&S performance report will be submitted to ADB by BIFFL and the same will be disclosed to ADB website. BIFFL will also set up and maintain a database of nonperforming loans due to safeguards issues. If the sub borrower indicated environmental factors as one of the reasons for delays in making repayments, then this will be noted in the database.

4.0 ORGANIZATIONAL RESPONSIBILITIES, RESOURCES AND CAPACITY

4.1 Project implementation arrangement

The Finance Division of the Ministry of Finance (MOF) will be the executing agency (EA) while BIFFL will be the implementing agency (IA). Table 4.1 shows the management roles and responsibilities.¹¹The Board of Directors of BIFFL will provide the policy direction and strategic oversight.

BIFFL will establish a project management unit (PMU) with staffing and other resources satisfactory to ADB. The PMU will be responsible for identification, screening, selection, and monitoring of all subprojects and in ensuring compliance of these subprojects with applicable national laws and regulations and the requirements of ADB. The PMU will consist of BIFFL staff with expertise on environmental and social risks assessment and project management. An environmental and social management unit (ESMU) will be set up in the PMU responsible for implementing the ESMS arrangement for subprojects using ADB funds. **Figure 4.1** shows the implementation arrangements.

BIFFL will create an environmental and social cell (ESC) who can also provide technical support on safeguards to ESSU in reviewing and evaluating subprojects.

Table 4.1 Management Roles and Responsibilities

Project Implementation Organization	Management Roles and Responsibilities
Executing agency - Finance Division, Ministry of Finance	<ul style="list-style-type: none"> • Monitor and support overall project implementation. • Support intra-Government agency coordination. • Monitor and ensure compliance with the loan and project agreements (and any other legal agreements) signed between Bangladesh and ADB.

¹¹Table 2 Project Implementation Requirement. Project Administration Manual (20 August 2019).ADB.

Project Implementation Organization	Management Roles and Responsibilities
	<ul style="list-style-type: none"> • Prepare and sign a subsidiary loan agreement with BIFFL. • Establish relevant accounts including any designated USD and BDT accounts and maintain detailed records of the account activities for potential ADB audit. • Manage funds flow between ADB and BIFFL including the timely processing of ADB withdrawal applications to ensure timely disbursement. • Manage the currency risk associated with ADB USD loan when disbursing in BDT. • Help coordinate with other entities, such as PPP Authority, PPPU, line ministries, and other public sector banks on subproject development, review, clearance, loan syndication, and/or matters. • Coordinate with BIFFL on the submissions of project progress and completion reports. • Facilitate statutory audit on ADB project implementation, including timely submission of annual APFS, and report the same to ADB. • Process and obtain approval of TPP(if applicable)
Implementing agency - BIFFL	<ul style="list-style-type: none"> • Establish a PMU to manage day-to-day implementation work of the ADB subproject, with adequate institutional capacity that is satisfactory to ADB. • Work closely with PPP Authority, PPPU, relevant line ministries, public and private commercial banks, and/or sponsors to identify and structure large public sector-led infrastructure and PPP subprojects for financing. • Establish dedicated USD and BDT advance accounts and maintain detailed account activity records (e.g., for possible ADB and Government of Bangladesh audit purpose). • Prepare a qualified subproject pipeline based on the ADB eligibility criteria and other requirements in the project administration manual (PAM). • Screen, review, approve, and monitor the subprojects in accordance with the requirements in the legal agreements and the PAM. • Ensure that the subprojects seeking ADB finance will comply with the ADB environment and social safeguard guidelines, based on the ESMS arrangement, and required technical efficiency and other requirements. • Ensure safeguard compliance for category A subprojects, in particular, such as by submitting (and improving) required RP, IPP, and EIA including the EMP for ADB clearance. • Prepare withdrawal applications for immediate MOF approval and timely disbursement. • Appoint dedicated financial and accounting

Project Implementation Organization	Management Roles and Responsibilities
	<p>officers to ensure that the project financial management comply with ADB guidelines.</p> <ul style="list-style-type: none"> • Work with ADB TA consultants and PPP Authority to develop the necessary institutional capacities to screen, review, price, approve, and monitor the financed qualified infrastructure subprojects. • Work with the ADB consultants and PPP Authority to develop a standardized stapled finance procedure. • Follow the ADB PPMS guidelines stated in this PAM on monitoring the project performance. • Conduct environment and social safeguard review of the environmental and social monitoring reports submitted by the sub borrower and prepare the annual report on the status of implementation of the ESMS arrangement. • Conduct quarterly reviews by following the ADB PPMS, including (i) compliance (e.g., safeguard, gender, procurement, ADB prohibited investment activities, and others) and implementation (e.g., sub borrowers, other sub loan details, sectors, repayments, and asset quality), reflecting the Design Monitoring Framework performance targets, and report the same to ADB and Finance Division, Ministry of Finance. • Conduct periodic review and audit on ADB subproject finance, including timely submission of APFS and AFS, and report to ADB on the utilization of funds. • Prepare a subproject completion report to ADB within 6 months from subproject closing date.
ADB	<ul style="list-style-type: none"> • Implement TA support to strengthen BIFFL's institutional capacity and to implement the ADB project. • Provide timely environment, social safeguard, and technical reviews on submitted subprojects by BIFFL. • Facilitate other implementation matters including the review and process withdrawal applications, monitoring and review reports, and audit reports, and provide timely feedbacks. • Help coordinate subproject development and structuring with PPP Authority, PPPU, and ADB OPPP, which acts as the subproject transaction advisor. • Conduct any necessary subproject site visits to ensure compliance. • Streamline stapled finance process.

ADB = Asian Development Bank, AFS = audited financial statement, APFS = audited project financial statements, BDT = Bangladesh Taka, BIFFL = Bangladesh Infrastructure Finance Fund Limited, DMF = design and monitoring framework, OPPP = (ADB) Office of Public Private Partnership, PAM = project administration manual, PMU = project management unit, PPMS = project performance management system, PPPU = Public Private Partnership Unit (Ministry of Finance), TA = technical assistance, TPP = technical project proposal, USD = United States dollar.

Sources: Finance Division, Ministry of Finance; Bangladesh Infrastructure Finance Fund Limited, and Asian Development Bank.

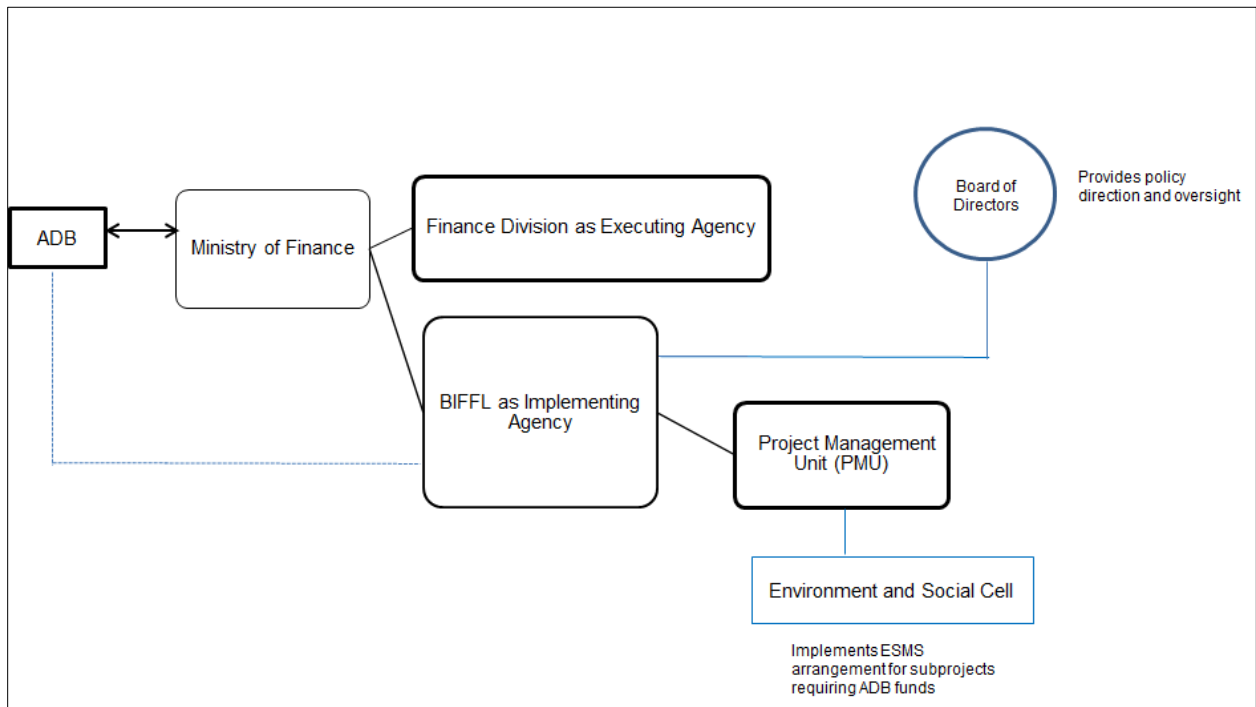


Figure 4.1 Project Implementation Arrangements

4.2 Environmental and Social Safeguards at BIFFL

4.2.1 Current Set-Up

As of 8 July 2019, BIFFL has about 40 projects in varying stages of implementation covering several sectors. At present, there is one Senior Officer attached to BIFFL’s Environment & Social Unit who oversees environmental and social management of their projects supported by a team of external Environmental & Social consultants known as Environment & Social Cell (ESC). All the consultants (Project basis/Temporary) related to Environment & Social are accommodated under this cell. ESC is currently formed by the external consultants from JICA. Within December 2019 there will be another E&S consultant from WB to assist the cell and PMU. With the current portfolio of BIFFL, there is a need to provide adequate resources and enhance institutional capacity to manage the environmental and social issues of subprojects requiring ADB funds. Additional capacity with expertise on social issues associated with transport projects will be required to support the incumbent environmental staff. Currently, the safeguards staff and consultants report to Head, Project Finance.

BIFFL was invited by the Bangladesh Resident Mission of ADB for the environmental safeguard training on 19-20 August 2019. Two BIFFL staff attended the training: one environmental staff from Environment & Social Unit and another from the Investment Division (Large Infrastructure Unit). The same staffs also received a 3 days training on 'Capacity Building for Grievance Redress and Dispute Resolution During Project Implementation' from ADB.

One of the conditions for ADB loan effectiveness will be a functioning safeguards unit (i.e., environment and social) established in BIFFL to screen, appraise, and categorize proposed subprojects that will require ADB funds. To ensure effective implementation of the ESMS, BIFFL needs to have adequate resources.

4.2.2 Proposed Structure of the Project Management Unit

BIFFL will set up a project management unit (PMU) which will be supported by the Environmental and Social Cell (ESC) along with its Safeguard Unit/ Environment & Social Unit to provide long-term technical support on environmental and social management of their subprojects. BIFFL may opt to retain experts to provide technical advice, if needed.

The ESC as shown in Figure 4.2 consists of consultants from the JICA and the World Bank projects (to be recruited by December, 2019) and will be working together with three BIFFL staff of Safeguard Unit (i.e., one incumbent environment staff ,one staff to be recruited by December 2019 with expertise on social issues of development projects and another Junior Environment Staff to be recruited by December 2019). The ESC and the Safeguard Unit will work together in managing all environmental and social matters; and will ensure that resources are made available for E&S management. The Safeguard Unit and the ESC will report directly to the Project Manager. Aside from safeguards, the PMU will also include staff from financial, technical, legal, accounts and credit risk management (CRM).

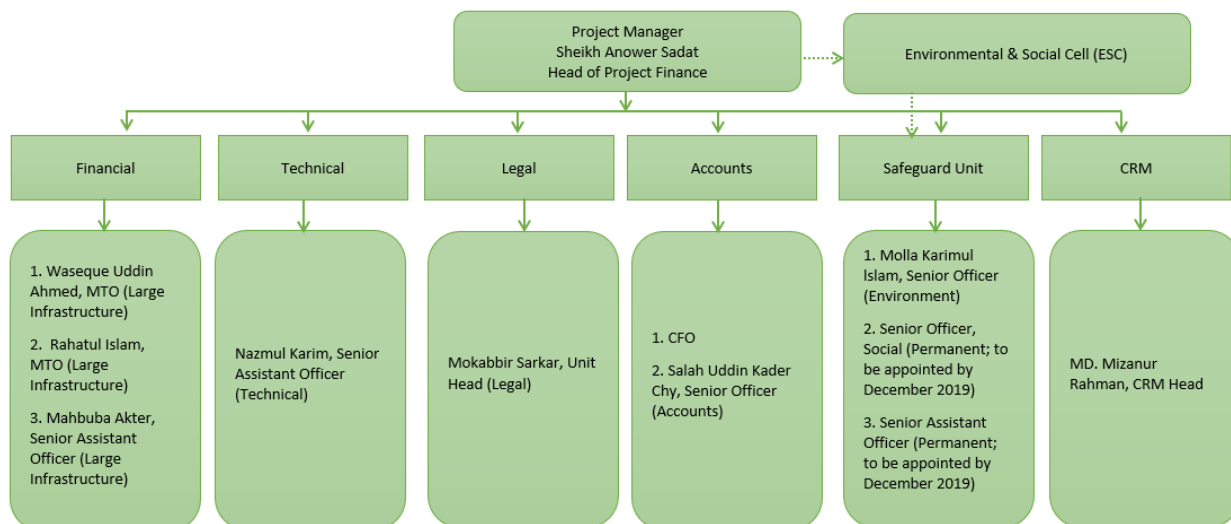


Figure 4.2 Proposed Organizational Structure of PMU of BIFFL

4.2.3 Identified Subproject – Upgrading of Joydebpur-Debogram-Bhulta-Madanpur Road from 2-lanes into 4-lanes (referred to as Dhaka Bypass Road)

Dhaka Bypass Road has been identified by the OPPP, PPP Bangladesh, and the BIFFL as the subproject that will require funds under the ADB loan. To meet the requirements of these ESMS arrangement, Figure 4.3 shows the overall implementation arrangements.

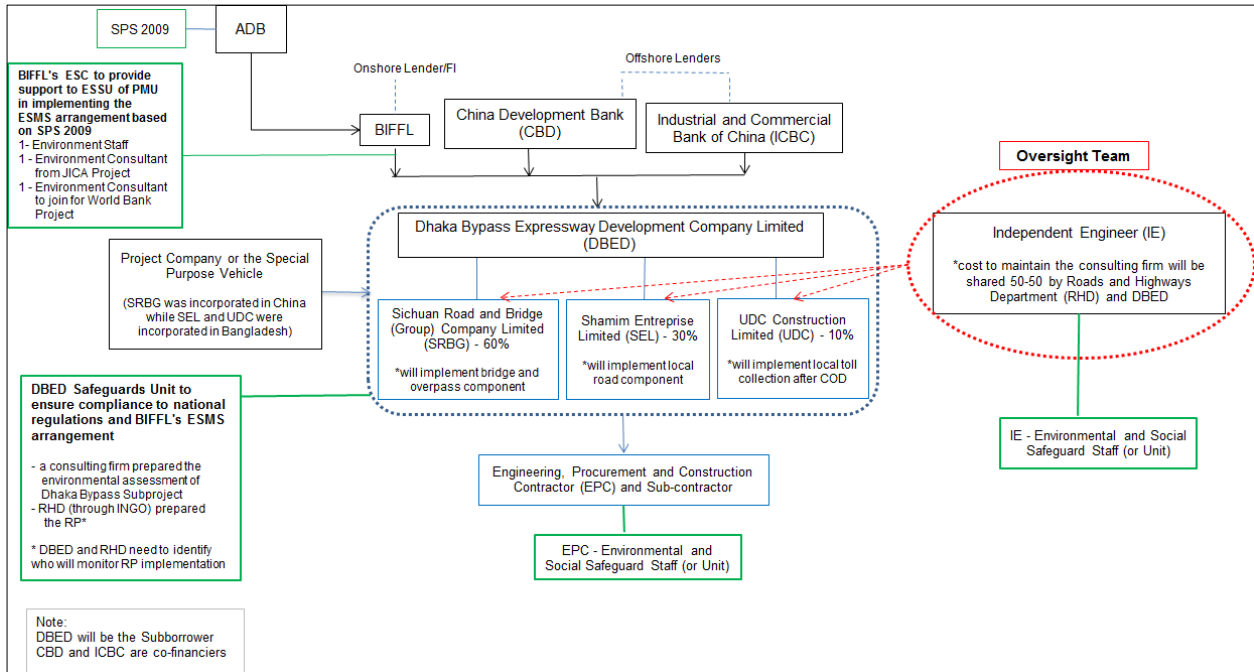


Figure 4.3 Dhaka Bypass Subproject – Implementation Arrangements

4.3 Roles and Responsibilities

4.3.1 Safeguard Unit together with ESC

Senior Officer (Environment) from the Safeguard Unit (BIFFL) and/or ESC shall deliver the following services:

- (a) Participate in the Know Your Client (KYC) meetings with sub borrowers (e.g., Dhaka Bypass Expressway Development Company Limited);
- (b) Advise sub borrowers in completing the environment section of the Loan Application Form;
- (c) Review of the Loan Application Form to draw indicative term sheet;
- (d) Categorize subprojects based on the requirements of GOB and ADB;
- (e) Prepare Project Environmental Appraisal Report;

- (f) Issue ToR for the EIA/IEE/Environmental Due Diligence (EDD)¹²/CAP whichever is applicable;
- (g) Review EIA/IEE/EDD/CAP submitted by sub borrowers;
- (h) Coordinate (including hiring of consultants) the monitoring of the implementation of EMP/CAP of select category A subprojects;
- (i) Review monitoring reports on compliance to and effectiveness of the EMP/CAP;
- (j) Report on the progress of subprojects annually;
- (k) Forward EIA/EDD/CAP/monitoring reports to ADB for review; and,
- (l) Submit EIA/IEE/EDD/CAP/monitoring reports to ADB for clearance and disclosure.

Senior Officer (Social) from the Safeguard Unit (BIFFL) and/or ESC will deliver the following services:

- (a) Participate in the KYC meetings with sub borrowers;
- (b) Advise sub borrowers in completing the social section of the Loan Application Form;
- (c) Conduct review of Loan Application Form to draw indicative term sheet;
- (d) Categorize sub project based on the requirements of GOB and ADB;
- (e) Issue ToR to conduct social impact assessment (SIA) and RP/IPP;
- (f) Review SIA and RP/IPP submitted by sub borrowers;
- (g) Coordinate (including hiring of consultants) the monitoring of the implementation of RP/IPP of category A subprojects;
- (h) Review social monitoring reports on compliance to and effectiveness of the RP/IPP;
- (i) Report on the progress of subprojects annually to ADB;
- (j) Forward SIA and RP/IPP monitoring reports to ADB for review;
- (k) Submit RP/IPP of category A subprojects to ADB for clearance and disclosure;
- (l) Ensure financial commitment of sub borrowers to RP/IPP implementation prior to loan disbursement; and,
- (m) Review monitoring report submitted by sub borrowers.

Aside from these, they are expected to deliver the following services:

- (i) Coordinate the conduct of independent annual audit of the ESMS arrangements;
- (ii) Implementation of CAP for operations of BIFFL based on annual audit (could be independent E&S consultant);
- (iii) Prepare the annual E&S performance report to be submitted to ADB;
- (iv) Coordinate with training specialists (may include BRM safeguard trainings, if any) to conduct awareness and training program at BIFFL and sub borrowers on implementation and monitoring of EMPs, the E&S policy and regulatory framework of GOB, and ADB safeguards requirements;
- (v) Update ESMS arrangements based on operational experience and new regulations of GOB and/or amendments (if any);
- (vi) Create and/or maintain the ESMS system in the website of BIFFL, respond to feedback/comments received, and incorporate the same, as appropriate.

4.3.2 Sub borrowers

Sub borrowers shall be responsible for ensuring compliance to relevant safeguards regulations of GOB and requirements of ADB with agreed milestones and performance levels particularly

¹²EDD will be equivalent to the Environmental Compliance Audit Report for subprojects already existing prior to requesting ADB funds

for purposes of disbursement of BIFFL funds provided by ADB. They will send periodic safeguard progress reports in such form and, at such times, as may be prescribed by these procedures. **Table 4.1** presents the allocation of responsibilities between ESC and sub borrowers.

4.3.3 Asian Development Bank

ADB will conduct review of project implementation and will ensure that the required safeguards documents from BIFFL are posted in ADB website (i.e., category A subprojects) consistent to the provisions set out by SPS 2009 and Access to Information Policy 2018.

Table 4.1 Allocation of Responsibilities

No.	Tasks	Primary Responsibility	Secondary Responsibility
1.	Submit all documentation related to environmental clearances (e.g., No Objection Certificate, ECC, etc.), EIA, IEE and EMP	Sub borrowers	Review and check by Safeguard Unit (BIFFL) and ESC
2.	Submit ENV, IR and IP screening checklist along with subproject concept note	Safeguard Unit (BIFFL) and ESC	-
3.	Check each subproject for completion of application and PIAL of ADB	Safeguard Unit (BIFFL) and ESC	-
4.	Categorization and issue ToR to conduct EIA, IEE, SIA, RP and IPP	Safeguard Unit (BIFFL) and ESC	-
5.	Submit all relevant environmental information of category A subproject to ADB	Safeguard Unit (BIFFL) and ESC	-
6.	Monitor environmental and social compliance	Safeguard Unit (BIFFL) and ESC	Sub borrowers to provide additional information as required
7.	Check adequacy and effectiveness of EMP	Safeguard Unit (BIFFL) and ESC	Sub borrowers to provide additional information as required
8.	Conduct EIA/IEE/Environmental Due Diligence/Social Impact Assessment	Sub borrowers	Safeguard Unit (BIFFL) and ESC– support on ToR preparation and identifying agency
9.	Prepare and implement EMP/RP/IPP	Sub borrowers	Safeguard Unit (BIFFL) and ESC– support on ToR preparation and identifying agency
10.	Implement CAP	Sub borrowers	Safeguard Unit (BIFFL) and ESC to monitor compliance
11.	Review EIA/IEE/EMP/CAP/RP/IPP	Safeguard Unit (BIFFL) and ESC	-
12.	Clearance for category B and category C subprojects ¹³	Safeguard Unit (BIFFL) and ESC	-
13.	Submit EIA/RP/IPP of category A subprojects to ADB for clearance	Safeguard Unit (BIFFL) and ESC	-

¹³ Categorization of subproject as B is cleared/approved by ADB

No.	Tasks	Primary Responsibility	Secondary Responsibility
14.	Ensure financial commitment of sub borrowers to implement RP/IPP/EMP	Safeguard Unit (BIFFL) and ESC	Sub borrowers
15.	Conduct monitoring of implementation of EMP/RP/IPP	Sub borrowers	ESC
16.	Prepare and submit E&S monitoring reports	Sub borrowers	-
17.	Review safeguards monitoring reports	Safeguard Unit (BIFFL) and ESC	-
18.	Compliance to environmental requirements	Sub borrowers	-
19.	Attend to public grievances	Sub borrowers	-
20.	Conduct E&S monitoring and evaluation (select category A subproject)	Safeguard Unit (BIFFL) and ESC	Sub borrowers
21.	Conduct annual E&S audit and disclose the annual E&S performance report and submit the final report to ADB	Safeguard Unit (BIFFL) and ESC	-
22.	Submit EIA/IEE/EDD/CAP/RP/IPP for disclosure to ADB's website	Safeguard Unit (BIFFL) and ESC	Sub borrowers
23.	Conduct awareness and training on safeguards to proponents/clients and other stakeholders	Safeguard Unit (BIFFL) and ESC	Sub borrowers
24.	Update E&S management arrangements based on FI experience	Safeguard Unit (BIFFL) and ESC	-

Annex 1¹

Prohibited Investment Activities List

The following do not qualify for Asian Development Bank financing:

- (i) production or activities involving harmful or exploitative forms of forced labor² or child labor;³
- (ii) production of or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements or subject to international phase-out or bans, such as (a) pharmaceuticals,⁴ pesticides, and herbicides,⁵ (b) ozone-depleting substances,⁶ (c) polychlorinated biphenyls⁷ and other hazardous chemicals,⁸ (d) wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora,⁹ and (e) transboundary trade in waste or waste products;¹⁰
- (iii) production of or trade in weapons and munitions, including paramilitary materials;
- (iv) production of or trade in alcoholic beverages, excluding beer and wine;¹¹
- (v) production of or trade in tobacco;¹⁰
- (vi) gambling, casinos, and equivalent enterprises;¹⁰
- (vii) production of or trade in radioactive materials,¹² including nuclear reactors and components thereof;
- (viii) production of, trade in, or use of unbonded asbestos fibers;¹³
- (ix) commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests or old-growth forests; and
- (x) marine and coastal fishing practices, such as large-scale pelagic drift net fishing and fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats.

In addition, project such as, 'Coal and HFO fired powerplant' may not be qualified for ADB financing.

¹ADB SPS 2009, Appendix 5, p76.

² Forced labor means all work or services not voluntarily performed, that is, extracted from individuals under threat of force or penalty.

³ Child labor means the employment of children whose age is below the host country's statutory minimum age of employment or employment of children in contravention of International Labor Organization Convention No. 138 "Minimum Age Convention" (www.ilo.org).

⁴A list of pharmaceutical products subject to phaseouts or bans is available at <http://www.who.int>.

⁵A list of pesticides and herbicides subject to phase-out or bans is available at <http://www.pic.int>.

⁶A list of the chemical compounds that react with and deplete stratospheric ozone resulting in the widely publicized ozone holes is listed in the Montreal Protocol, together with target reduction and phase-out dates. Information is available at <http://www.unep.org/ozone/montreal.shtml>.

⁷A group of highly toxic chemicals, polychlorinated biphenyls are likely to be found in oil-filled electrical transformers, capacitors, and switchgear dating from 1950 to 1985.

⁸A list of hazardous chemicals is available at <http://www.pic.int>.

⁹A list is available at <http://www.cites.org>.

¹⁰As defined by the Basel Convention; see <http://www.basel.int>.

¹¹This does not apply to project sponsors who are not substantially involved in these activities. Not substantially involved means that the activity concerned is ancillary to a project sponsor's primary operations.

¹²This does not apply to the purchase of medical equipment, quality control (measurement) equipment, and any equipment for which ADB considers the radioactive source to be trivial and adequately shielded.

¹³This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

Annex 2

Safeguard Requirements 1-3 of the ADB Safeguard Policy Statement

Safeguard Requirements 1: ENVIRONMENT

A. Introduction

1. Safeguard Requirements 1 outlines the requirements that borrowers/clients are required to meet when delivering environmental safeguards for projects¹ supported by ADB. It discusses the objectives and scope of application, and underscores the requirements for undertaking the environmental assessment process. These requirements include assessing impacts, planning and managing impact mitigations, preparing environmental assessment reports, disclosing information and undertaking consultation, establishing a grievance mechanism, and monitoring and reporting. The document also includes particular environmental safeguard requirements pertaining to biodiversity conservation and sustainable management of natural resources, pollution prevention and abatement, occupational and community health and safety, and conservation of physical cultural resources. The applicability of particular requirements is established through the environmental assessment process and compliance with the requirements is achieved through implementation of environmental management plans.

B. Objectives

2. The objectives are to ensure the environmental soundness and sustainability of projects, and to support the integration of environmental considerations into the project decision-making process.

C. Scope of Application

3. The requirements apply to all ADB-financed and/or ADB-administered sovereign and non-sovereign projects, and their components regardless of the source of financing, including subprojects funded by a loan; and/or a grant; and/or other means, such as equity and/or guarantees (hereafter broadly referred to as projects).

D. Requirements

1. Environmental Assessment

4. Environmental assessment is a generic term used to describe a process of environmental analysis and planning to address the environmental impacts and risks associated with a project. At an early stage of project preparation, the borrower/client will identify potential direct, indirect, cumulative and induced environmental impacts on and risks to physical, biological, socioeconomic, and physical cultural resources and determine their significance and scope, in consultation with stakeholders, including affected people and concerned nongovernment organizations (NGOs). If potentially adverse environmental impacts and risks are identified, the borrower/client will undertake an environmental assessment as early as possible in the project cycle. For projects with potentially significant adverse impacts that are diverse, irreversible, or unprecedented, the borrower/client will examine alternatives to the project's location, design, technology, and components that would avoid, and, if avoidance is not possible, minimize

¹ In this attachment, the term "project" and "borrower/client" both refer to "subprojects" financed in part or in full by BIFFL using ADB funds.

adverse environmental impacts and risks. The rationale for selecting the particular project location, design, technology, and components will be properly documented, including, cost-benefit analysis, taking environmental costs and benefits of the various alternatives considered into account. The "no project" alternative will be also considered.

5. The assessment process will be based on current information, including an accurate project description, and appropriate environmental and social baseline data. The environmental assessment will consider all potential impacts and risks of the project on physical, biological, socioeconomic (occupational health and safety, community health and safety, vulnerable groups and gender issues, and impacts on livelihoods through environmental media (see also para. 6 of Safeguard Requirement 2 - Involuntary Resettlement of this Annex) and physical cultural resources in an integrated way. The project's potential environmental impacts and risks will be reviewed against the requirements presented in this document and applicable laws and regulations of the jurisdictions in which the project operates that pertain to environmental matters, including host country obligations under international law.

6. Impacts and risks will be analyzed in the context of the project's area of influence. This area of influence encompasses (i) the primary project site(s) and related facilities that the borrower/client (including its contractors) develops or controls, such as power transmission corridors, pipelines, canals, tunnels, access roads, borrow pits and disposal areas, and construction camps; (ii) associated facilities that are not funded as part of the project (funding may be provided separately by the borrower/client or by third parties), and whose viability and existence depend exclusively on the project and whose goods or services are essential for successful operation of the project; (iii) areas and communities potentially affected by cumulative impacts from further planned development of the project, other sources of similar impacts in the geographical area, any existing project or condition, and other project-related developments that are realistically defined at the time the assessment is undertaken; and (iv) areas and communities potentially affected by impacts from unplanned but predictable developments caused by the project that may occur later or at a different location. The area of influence does not include potential impacts that might occur without the project or independently of the project. Environmental impacts and risks will also be analyzed for all relevant stages of the project cycle, including preconstruction, construction, operations, decommissioning, and post closure activities such as rehabilitation or restoration.

7. The assessment will identify potential transboundary effects, such as air pollution, increased use or contamination of international waterways, as well as global impacts, such as emission of greenhouse gases and impacts on endangered species and habitats.

8. The environmental assessment will examine whether particular individuals and groups may be differentially or disproportionately affected by the project's potential adverse environmental impacts because of their disadvantaged or vulnerable status, in particular, the poor, women and children, and Indigenous Peoples. Where such individuals or groups are identified, the environmental assessment will recommend targeted and differentiated measures so that adverse environmental impacts do not fall disproportionately on them.

9. Depending on the significance of project impacts and risks, the assessment may comprise a full-scale environmental impact assessment (EIA) for category A projects, an initial environmental examination (IEE) or equivalent process for category B projects, or a desk review. An EIA report includes the following major elements: (i) executive summary, (ii) description of the project, (iii) description of the environment (with comprehensive baseline data), (iv) anticipated environmental impacts and mitigation measures, (v) analysis of

alternatives, (vi) environmental management plan(s), (vii) consultation and information disclosure, and (viii) conclusion and recommendations. An IEE, with its narrower scope, may be conducted for projects with limited impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.

10. When the project involves existing activities or facilities, relevant external experts will perform environmental audits to determine the existence of any areas where the project may cause or is causing environmental risks or impacts. If the project does not foresee any new major expansion, the audit constitutes the environmental assessment for the project. A typical environmental audit report includes the following major elements: (i) executive summary; (ii) facilities description, including both past and current activities; (iii) summary of national, local, and any other applicable environmental laws, regulations, and standards; (iv) audit and site investigation procedure; (v) findings and areas of concern; and (vi) corrective action plan that provides the appropriate corrective actions for each area of concern, including costs and schedule.

11. When the project involves the development of or changes to policies, plans, or programs that are likely to have significant environmental impacts that are regional or sectoral, a strategic environmental assessment will be required. A strategic environmental assessment report will include (i) an analysis of the scenario, (ii) an assessment of long-term and indirect impacts, (iii) a description of the consultation process, and (iv) an explanation of option selection.

2 Environmental Planning and Management

12. The borrower/client will prepare an environmental management plan (EMP) that addresses the potential impacts and risks identified by the environmental assessment. The EMP will include the proposed mitigation measures, environmental monitoring and reporting requirements, emergency response procedures, related institutional or organizational arrangements, capacity development and training measures, implementation schedule, cost estimates, and performance indicators. Where impacts and risks cannot be avoided or prevented, mitigation measures and actions will be identified so that the project is designed, constructed, and operated in compliance with applicable laws and regulations and meets the requirements specified in this document. The level of detail and complexity of the environmental planning documents and the priority of the identified measures and actions will be commensurate with the project's impacts and risks. Key considerations include mitigation of potential adverse impacts to the level of "no significant harm to third parties," the polluter pays principle, the precautionary approach, and adaptive management.

13. If some residual impacts are likely to remain significant after mitigation, the EMP will also include appropriate compensatory measures (offset) that aim to ensure that the project does not cause significant net degradation to the environment. Such measures may relate, for instance, to conservation of habitat and biodiversity, preservation of ambient conditions, and greenhouse gas emissions. Monetary compensation in lieu of offset is acceptable in exceptional circumstances, provided that the compensation is used to provide environmental benefits of the same nature and is commensurate with the project's residual impact.

14. The EMP will define expected outcomes as measurable events to the extent possible and will include performance indicators or targets that can be tracked over defined periods. It will be responsive to changes in project design, such as a major change in project location or route, or in technology, unforeseen events, and monitoring results.

15. At times, a third party's involvement will influence implementation of the EMP. A third-party may be, inter alia, a government agency, a contractor, or an operator of an associated facility. When the third-party risk is high and the borrower/client has control or influence over the actions and behavior of the third party, the borrower/client will collaborate with the third party to achieve the outcome consistent with the requirements for the borrower/client. Specific actions will be determined on a case-by-case basis.

16. The borrower/client will use qualified and experienced experts to prepare the environmental assessment and the EMP. For highly complex and sensitive projects, independent advisory panels of experts not affiliated with the project will be used during project preparation and implementation.

3. Information Disclosure

17. For BIFFL subprojects, the requirements for public disclosure laid out in Section 3.2.1 of the main text of this ESMS arrangement apply.

18. The borrower/client will provide relevant environmental information, including information from the environmental impact assessment in a timely manner, in an accessible place, and in a form and language(s) understandable to affected people and other stakeholders. For illiterate people, other suitable communication methods will be used.

4. Consultation and Participation

19. The borrower/client will carry out meaningful consultation with affected people and other concerned stakeholders, including civil society, and facilitate their informed participation. Meaningful consultation is a process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle²; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues. Consultation will be carried out in a manner commensurate with the impacts on affected communities. The consultation process and its results are to be documented and reflected in the environmental assessment report.

5. Grievance Redress Mechanism

20. The borrower/client will establish a mechanism to receive and facilitate resolution of affected peoples' concerns, complaints, and grievances about the project's environmental performance. The grievance mechanism should be scaled to the risks and adverse impacts of the project. It should address affected people's concerns and complaints promptly, using an understandable and transparent process that is gender responsive, culturally appropriate, and readily accessible to all segments of the affected people at no costs and without retribution. The mechanism should not impede access to the country's judicial or administrative remedies. The affected people will be appropriately informed about the mechanism.

²For environment category A projects, such consultations will necessarily include consultations at the early stage of EIA field work and when the draft EIA report is available during project preparation, and before project appraisal

6. Monitoring and Reporting

21. The borrower/client will monitor and measure the progress of implementation of the EMP. The extent of monitoring activities will be commensurate with the project's risks and impacts. In addition to recording information to track performance, the borrower/client will undertake inspections to verify compliance with the EMP and progress toward the expected outcomes. For projects likely to have significant adverse environmental impacts, the borrower/client will retain qualified and experienced external experts or qualified NGOs to verify its monitoring information. The borrower/client will document monitoring results, identify the necessary corrective actions, and reflect them in a corrective action plan. The borrower/client will implement these corrective actions and follow up on these actions to ensure their effectiveness.

22. The borrower/client will prepare periodic monitoring reports that describe progress with implementation of the EMP and compliance issues and corrective actions, if any. The borrower/client will submit at least semi-annual monitoring reports during construction for projects likely to have significant adverse environmental impacts, and quarterly monitoring reports for highly complex and sensitive projects. For projects likely to have significant adverse environmental impacts during operation, reporting will continue at the minimum on an annual basis. Such periodic reports will be posted in a location accessible to the public. Project budgets will reflect the costs of monitoring and reporting requirements.

7. Unanticipated Environmental Impacts

23. Where unanticipated environmental impacts become apparent during project implementation, the borrower/client will update the environmental assessment and EMP or prepare a new environmental assessment and EMP to assess the potential impacts, evaluate the alternatives, and outline mitigation measures and resources to address those impacts.

8. Biodiversity Conservation and Sustainable Natural Resource Management

24. The borrower/client will assess the significance of project impacts and risks on biodiversity³ and natural resources as an integral part of the environmental assessment process specified in paras. 4–10. The assessment will focus on the major threats to biodiversity, which include destruction of habitat and introduction of invasive alien species, and on the use of natural resources in an unsustainable manner. The borrower/client will need to identify measures to avoid, minimize, or mitigate potentially adverse impacts and risks and, as a last resort, propose compensatory measures, such as biodiversity offsets, to achieve no net loss or net gain of the affected biodiversity.

a. Modified Habitats

25. In areas of modified habitat, where the natural habitat has apparently been altered, often through the introduction of alien species of plants and animals, such as in agricultural areas, the borrower/client will exercise care to minimize any further conversion or degradation of such habitat, and will, depending on the nature and scale of the project, identify opportunities to enhance habitat and protect and conserve biodiversity as part of project operations.

³The variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.

b. Natural Habitats

26. In areas of natural habitat,⁴ the project will not significantly convert or degrade⁵ such habitat, unless the following conditions are met:

- (i) No alternatives are available.
- (ii) A comprehensive analysis demonstrates that the overall benefits from the project will substantially outweigh the project costs, including environmental costs.
- (iii) Any conversion or degradation is appropriately mitigated.

27. Mitigation measures will be designed to achieve at least no net loss of biodiversity. They may include a combination of actions, such as post project restoration of habitats, offset of losses through the creation or effective conservation of ecologically comparable areas that are managed for biodiversity while respecting the ongoing use of such biodiversity by Indigenous Peoples or traditional communities, and compensation to direct users of biodiversity.

c. Critical Habitats

28. No project activity will be implemented in areas of critical habitat⁶ unless the following requirements are met:

- (i) There are no measurable adverse impacts, or likelihood of such, on the critical habitat which could impair its high biodiversity value or the ability to function.
- (ii) The project is not anticipated to lead to a reduction in the population of any recognized endangered or critically endangered species⁷ or a loss in area of the habitat concerned such that the persistence of a viable and representative host ecosystem be compromised.
- (iii) Any lesser impacts are mitigated in accordance with para. 27.

29. When the project involves activities in a critical habitat, the borrower/client will retain qualified and experienced external experts to assist in conducting the assessment.

d. Legally Protected Areas

⁴Land and water areas where the biological communities are formed largely by native plant and animal species, and where human activity has not essentially modified the area's primary ecological functions.

⁵Significant conversion or degradation is (i) the elimination or severe diminution of the integrity of a habitat caused by a major, long-term change in land or water use; or (ii) the modification of a habitat that substantially reduces the habitat's ability to maintain viable populations of its native species. Significant conversion may include, for example, land clearing; replacement of natural vegetation (for example, by crops or tree plantations); permanent flooding (by a reservoir for instance); drainage, dredging, filling, or canalization of wetlands; or surface mining.

⁶Critical habitat is a subset of both natural and modified habitat that deserves particular attention. Critical habitat includes areas with high biodiversity value, including habitat required for the survival of critically endangered or endangered species; areas having special significance for endemic or restricted-range species; sites that are critical for the survival of migratory species; areas supporting globally significant concentrations or numbers of individuals of congregator species; areas with unique assemblages of species or that are associated with key evolutionary processes or provide key ecosystem services; and areas having biodiversity of significant social, economic, or cultural importance to local communities. Critical habitats include those areas either legally protected or officially proposed for protection, such as areas that meet the criteria of the World Conservation Union classification, the Ramsar List of Wetlands of International Importance, and the United Nations Educational, Scientific, and Cultural Organization's world natural heritage sites.

⁷As defined by the World Conservation Union's Red List of Threatened Species or as defined in any national legislation.

30. In circumstances where some project activities are located within a legally protected area, in addition to the requirement specified in para. 28, the borrower/client will meet the following requirements:

- (i) Act in a manner consistent with defined protected area management plans.
- (ii) Consult protected area sponsors and managers, local communities, and other key stakeholders on the proposed project.
- (iii) Implement additional programs, as appropriate, to promote and enhance the conservation aims of the protected area.

e. Invasive Alien Species

31 The borrower/client will not intentionally introduce any new alien species (that is, species not currently established in the country or region of the project) unless carried out in accordance with the existing regulatory framework for such introduction, if such a framework is present, or unless the introduction is subject to a risk assessment (as part of the environmental assessment) to determine the potential for invasive behavior. Under no circumstance's species known to be invasive be introduced into new environments. The borrower/client will undertake assessment of the possibility of accidental or unintended introduction of such invasive alien species and identify measures to minimize the potential for release.

f. Management and Use of Renewable Natural Resources

32. Renewable natural resources will be managed in a sustainable manner. Sustainable resource management is management of the use, development, and protection of resources in a way, or at a rate, that enables people and communities, including Indigenous Peoples, to provide for their current social, economic, and cultural well-being while also sustaining the potential of those resources to meet the reasonably foreseeable needs of future generations. This includes safeguarding the life-supporting capacity of air, water, and soil ecosystems. Where possible, the borrower/client will demonstrate the sustainable management of resources through an appropriate system of independent certification.

9. Pollution Prevention and Abatement

33. During the design, construction, and operation of the project the borrower/client will apply pollution prevention and control technologies and practices consistent with international good practice, as reflected in internationally recognized standards such as the World Bank Group's *Environment, Health and Safety Guidelines*.⁸ These standards contain performance levels and measures that are normally acceptable and applicable to projects. When host country regulations differ from these levels and measures, the borrower/client will achieve whichever is more stringent. If less stringent levels or measures are appropriate in view of specific project circumstances, the borrower/client will provide full and detailed justification for any proposed alternatives that are consistent with the requirements presented in this document.

a. Pollution Prevention, Resource Conservation, and Energy Efficiency

34. The borrower/client will avoid, or where avoidance is impossible, will minimize or control the intensity or load of pollutant emission and discharge. In addition the borrower/client will

⁸World Bank Group, 2007. *Environmental, Health, and Safety General Guidelines*. Washington, DC

examine and incorporate in its operations resource conservation and energy efficiency measures consistent with the principles of cleaner production. When the project has the potential to constitute a significant source of emissions in an already degraded area, strategies that help improve ambient conditions, such as evaluating alternative project locations and considering emissions offsets, will be introduced.

b. Wastes

35. The borrower/client will avoid, or where avoidance is not possible, will minimize or control the generation of hazardous and nonhazardous wastes and the release of hazardous materials resulting from project activities. Where waste cannot be recovered or reused, it will be treated, destroyed, and disposed of in an environmentally sound manner. If the generated waste is considered hazardous, the client will explore reasonable alternatives for its environmentally sound disposal considering the limitations applicable to its transboundary movement.⁹ When waste disposal is conducted by third parties, the borrower/client will use contractors that are reputable and legitimate enterprises licensed by the relevant regulatory agencies.

c. Hazardous Materials

36. The borrower/client will avoid the manufacture, trade, and use of hazardous substances and materials subject to international bans or phaseouts because of their high toxicity to living organisms, environmental persistence, potential for bioaccumulation, or potential for depletion of the ozone layer¹⁰ and will consider the use of less hazardous substitutes for such chemicals and materials.

d. Pesticide Use and Management

37. The environmental assessment will ascertain that any pest and/or vector management activities related to the project are based on integrated pest management approaches and aim to reduce reliance on synthetic chemical pesticides in agricultural and public health projects. The borrower/client's integrated pest/vector management program will entail coordinated use of pest and environmental information along with available pest/vector control methods, including cultural practices, biological, genetic and, as a last resort, chemical means to prevent unacceptable levels of pest damage. The health and environmental risks associated with pest management should be minimized with support, as needed, to institutional capacity development, to help regulate and monitor the distribution and use of pesticides and enhance the application of integrated pest management.

38. The borrower/client will not use products that fall in World Health Organization Recommended Classification of Pesticides by Hazard Classes Ia (extremely hazardous) and Ib (highly hazardous) or Class II (moderately hazardous), if the project host country lacks restrictions on distribution and use of these chemicals, or if they are likely to be accessible to personnel without proper training, equipment, and facilities to handle, store, apply and dispose of these products properly. The borrower/client will handle, store, apply and dispose of pesticides in accordance with international good practice such as the Food and Agricultural Organization's International Code of Conduct on the Distribution and Use of Pesticides.

⁹Consistent with the objectives of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes.

¹⁰Consistent with the objectives of the Stockholm Convention on Persistent Organic Pollutants and the Montreal Protocol on Substances that Deplete the Ozone Layer.

e. Greenhouse Gas Emissions

39. The borrower/client will promote the reduction of project-related anthropogenic greenhouse gas emissions in a manner appropriate to the nature and scale of project operations and impacts. During the development or operation of projects that are expected to or currently produce significant quantities of greenhouse gases,¹¹ the borrower/client will quantify direct emissions from the facilities within the physical project boundary and indirect emissions associated with the off-site production of power used by the project. The borrower/client will conduct quantification and monitoring of greenhouse gas emissions annually in accordance with internationally recognized methodologies.¹² In addition, the borrower/client will evaluate technically and financially feasible and cost-effective options to reduce or offset project-related greenhouse gas emissions during project design and operation, and pursue appropriate options.

10. Health and Safety

a. Occupational Health and Safety

40. The borrower/client will provide workers¹³ with a safe and healthy working environment, taking into account risks inherent to the particular sector and specific classes of hazards in the borrower's/client's work areas, including physical, chemical, biological, and radiological hazards. The borrower/client will take steps to prevent accidents, injury, and disease arising from, associated with, or occurring during the course of work by (i) identifying and minimizing, so far as reasonably practicable, the causes of potential hazards to workers; (ii) providing preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances; (iii) providing appropriate equipment to minimize risks and requiring and enforcing its use; (iv) training workers and providing them with appropriate incentives to use and comply with health and safety procedures and protective equipment; (v) documenting and reporting occupational accidents, diseases, and incidents; and (vi) having emergency prevention, preparedness, and response arrangements in place.

41. The borrower/client will apply preventive and protective measures consistent with international good practice, as reflected in internationally recognized standards such as the World Bank Group's *Environment, Health and Safety Guidelines* (footnote 8).

b. Community Health and Safety

42. The borrower/client will identify and assess the risks to, and potential impacts on, the safety of affected communities during the design, construction, operation, and decommissioning of the project, and will establish preventive measures and plans to address them in a manner commensurate with the identified risks and impacts. These measures will favor the prevention or avoidance of risks and impacts over their minimization and reduction. Consideration will be given to potential exposure to both accidental and natural hazards, especially where the structural elements of the project are accessible to members of the affected community or

¹¹Even though the significance of a project's contribution to greenhouse gas emissions varies between industry sectors, the significance threshold to be considered for these requirements is generally 100,000 tons of carbon dioxide equivalent per year for the aggregate emissions of direct sources and indirect sources associated with electricity purchased for own consumption

¹²Estimation methodologies are provided by the Intergovernmental Panel on Climate Change (IPCC), various international organizations, and relevant host country agencies.

¹³Including nonemployee workers engaged by the borrower/client through contractors or other intermediaries to work on project sites or perform work directly related to the project's core functions

where their failure could result in injury to the community. The borrower/client will avoid or minimize the exacerbation of impacts caused by natural hazards, such as landslides or floods, which could result from land use changes due to project activities.

43. The borrower/client will inform affected communities of significant potential hazards in a culturally appropriate manner. The borrower/client will be prepared to respond to accidental and emergency situations. This preparation will include response planning document(s) that addresses the training, resources, responsibilities, communications, procedures, and other aspects required to respond effectively to emergencies associated with project hazards. Appropriate information about emergency preparedness and response activities, resources, and responsibilities will be disclosed to affected communities.

44. When structural elements or components, such as dams, tailings dams, or ash ponds, are situated in high-risk locations and their failure or malfunction may threaten the safety of communities, the borrower/client will engage qualified and experienced experts, separate from those responsible for project design and construction, to conduct a review as early as possible in project development and throughout project design, construction, and commissioning.

11. Physical Cultural Resources

45. The borrower/client is responsible for siting and designing the project to avoid significant damage to physical cultural resources.¹⁴ Such resources likely to be affected by the project will be identified, and qualified and experienced experts will assess the project's potential impact on these resources using field-based surveys as an integral part of the environmental assessment process specified in paras. 4–10.

46. When a project may affect physical cultural resources, the borrower/client will consult with affected communities who use, or have used them within living memory, for long-standing cultural purposes to identify physical cultural resources of importance and to incorporate the views of the affected communities on such resources into the borrower's/client's decision making process. Consultation will also involve relevant national or local regulatory agencies that are entrusted with protecting physical cultural resources. The findings are disclosed as part of, and in the same manner as, the environmental assessment report, except when such disclosure would compromise or jeopardize the safety or integrity of the physical cultural resources.

47. When the project is likely to have adverse impacts on physical cultural resources, the borrower/client will identify appropriate measures for avoiding or mitigating these impacts as part of the environmental planning process specified in paras. 12–16. These measures may range from avoidance to full site protection to selective mitigation, including salvage and documentation, in cases where a portion or all of the physical cultural resources may be lost.

48. When the proposed location of a project is in areas where physical cultural resources are expected to be found as determined during the environmental assessment process, chance finds procedures will be included in the EMP. Chance finds shall not be disturbed until an assessment by a competent specialist is made and actions consistent with these requirements are identified.

¹⁴Defined as movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance. Physical cultural resources may be located in urban or rural settings and may be above or below ground or under water. Their cultural interest may be at the local, provincial, national, or international level

49. The project will not remove any physical cultural resources unless the following conditions are met:

- (i) No alternatives to removal are available.
- (ii) The overall benefits of the project substantially outweigh the anticipated cultural heritage loss from removal.
- (iii) Any removal is conducted in accordance with relevant provisions of national and/or local laws, regulations, and protected area management plans and national obligations under international laws, and employs the best available techniques.

Annex 2
Safeguard Requirements 1-3 of the ADB Safeguard Policy Statement

Safeguard Requirements 2: INVOLUNTARY RESETTLEMENT

A. Introduction

1. ADB experience indicates that involuntary resettlement under development projects,¹⁵ if unmitigated, could give rise to severe economic, social, and environmental risks: production systems are dismantled; people face impoverishment when their productive assets or income sources are lost; people are relocated to environments where their productive skills may be less applicable, and the competition for resources greater; community institutions and social networks are weakened; kin groups are dispersed; and cultural identity, traditional authority, and the potential for mutual help are diminished or lost. ADB therefore seeks to avoid involuntary resettlement wherever possible; minimize involuntary resettlement by exploring project and design alternatives; enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-project levels; and improve the standards of living of the affected poor and other vulnerable groups.

2. Safeguard Requirements 2 outlines the requirements that borrowers/clients are required to meet in delivering involuntary resettlement safeguards to projects supported by ADB. It discusses the objectives, scope of application, and underscores the requirements for undertaking the social impact assessment and resettlement planning process, preparing social impact assessment reports and resettlement planning documents, exploring negotiated land acquisition, disclosing information and engaging in consultations, establishing a grievance mechanism, and resettlement monitoring and reporting.

B. Objectives

3. The objectives are to avoid involuntary resettlement wherever possible; to minimize involuntary resettlement by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all displaced persons¹⁶ in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups.

C. Scope of Application

4. The requirements apply to all ADB-financed and/or ADB-administered sovereign and non-sovereign projects, and their components regardless of the source of financing, including subprojects funded by a loan; and/or a grant; and/or other means, such as equity and/or guarantees (hereafter broadly referred to as projects). The requirements also cover involuntary resettlement actions conducted by the borrower/client in anticipation of ADB support.

5. The involuntary resettlement requirements apply to full or partial, permanent or temporary physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods)

¹⁵In this attachment, the term "project" and "borrower/client" both refer to "subprojects" financed in part or in full by BIFFL using ADB funds.

¹⁶In the context of involuntary resettlement, displaced persons are those who are physically displaced (relocation, loss of residential land, or loss of shelter) and/or economically displaced (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.

resulting from: (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas. Resettlement is considered involuntary when displaced individuals or communities do not have the right to refuse land acquisition that results in displacement. This occurs in cases where: (i) lands are acquired through expropriation based on eminent domain; and (ii) lands are acquired through negotiated settlements, if expropriation process would have resulted upon the failure of negotiation.

6. If potential adverse economic, social, or environmental impacts from project activities other than land acquisition (including involuntary restrictions on land use, or on access to legally designated parks and protected areas) are identified, such as loss of access to assets or resources or restrictions on land use, they will be avoided, or at least minimized, mitigated, or compensated for, through the environmental assessment process. If these impacts are found to be significantly adverse at any stage of the project, the borrower/client will be required to develop and implement a management plan to restore the livelihood of affected persons to at least pre-project level or better.

D. Requirements

1. Compensation, Assistance and Benefits for Displaced Persons

7. Displaced persons in a project area could be of three types: (i) persons with formal legal rights to land lost in its entirety or in part; (ii) persons who lost the land they occupy in its entirety or in part who have no formal legal rights to such land, but who have claims to such lands that are recognized or recognizable under national laws; and (iii) persons who lost the land they occupy in its entirety or in part who have neither formal legal rights nor recognized or recognizable claims to such land. The involuntary resettlement requirements apply to all three types of displaced persons.

8. The borrower/client will provide adequate and appropriate replacement land and structures or cash compensation at full replacement cost for lost land and structures, adequate compensation for partially damaged structures, and relocation assistance, if applicable, to those persons described in para. 7(i) and 7(ii) prior to their relocation. For those persons described in para. 7(iii), the borrower/client will compensate them for the loss of assets other than land, such as dwellings, and also for other improvements to the land, at full replacement cost. The entitlements of those under para. 7(iii) is given only if they occupied the land or structures in the project area prior to the cut-off date for eligibility for resettlement assistance.

9. Preference will be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based. These strategies may include resettlement on public land, or on private land acquired or purchased for resettlement. Whenever replacement land is offered, displaced persons are provided with land for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the land taken. If land is not the preferred option of the displaced persons, or sufficient land is not available at a reasonable price, non-land-based options built around opportunities for employment or self-employment should be provided in addition to cash compensation for land and other assets lost. The lack of land will be demonstrated and documented to the satisfaction of ADB.

10. The rate of compensation for acquired housing, land and other assets will be calculated at full replacement costs. The calculation of full replacement cost will be based on the following elements: (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and

restoration costs; and (v) other applicable payments, if any. Where market conditions are absent or in a formative stage, the borrower/client will consult with the displaced persons and host populations to obtain adequate information about recent land transactions, land value by types, land titles, land use, cropping patterns and crop production, availability of land in the project area and region, and other related information. The borrower/client will also collect baseline data on housing, house types, and construction materials. Qualified and experienced experts will undertake the valuation of acquired assets. In applying this method of valuation, depreciation of structures and assets should not be taken into account.

11. In the case of physically displaced persons, the borrower/client will provide (i) relocation assistance, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, and civic infrastructure and community services as required; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) opportunities to derive appropriate development benefits from the project.

12. In the case of economically displaced persons, regardless of whether or not they are physically displaced, the borrower/client will promptly compensate for the loss of income or livelihood sources at full replacement cost. The borrower/client will also provide assistance such as credit facilities, training, and employment opportunities so that they can improve, or at least restore, their income-earning capacity, production levels, and standards of living to pre-displacement levels. The borrower/client will also provide opportunities to displaced persons to derive appropriate development benefits from the project. The borrower/client will compensate economically displaced people under paragraph 7(iii) for lost assets such as crops, irrigation infrastructure, and other improvements made to the land (but not for the land) at full replacement cost. In cases where land acquisition affects commercial structures, affected business owners are entitled to (i) the costs of re-establishing commercial activities elsewhere;(ii) the net income lost during the transition period; and (iii) the costs of transferring and reinstalling plant, machinery, or other equipment. Business owners with legal rights or recognized or recognizable claims to land where they carry out commercial activities are entitled to replacement property of equal or greater value or cash compensation at full replacement cost.

13. Involuntary resettlement should be conceived of and executed as part of a development project or program. In this regard, the best strategy is to provide displaced persons with opportunities to share project benefits in addition to providing compensation and resettlement assistance. Such opportunities would help prevent impoverishment among affected persons, and also help meet the ethical demand for development interventions to spread development benefits widely. Therefore borrowers/clients are encouraged to ascertain specific opportunities for engaging affected persons as project beneficiaries and to discuss how to spread such opportunities as widely as possible among affected persons in the resettlement plan.

14. The borrower/client will ensure that no physical displacement or economic displacement will occur until (i) compensation at full replacement cost has been paid to each displaced person for project components or sections that are ready to be constructed; (ii) other entitlements listed in the resettlement plan have been provided to displaced persons; and (iii) a comprehensive income and livelihood rehabilitation program, supported by an adequate budget, is in place to help displaced persons improve, or at least restore, their incomes and livelihoods. While compensation is required to be paid before displacement, full implementation of the resettlement plan might take longer. If project activities restrict land use or access to legally

designated parks and protected areas, such restrictions will be imposed in accordance with the timetable outlined in the resettlement plan.

2. Social Impact Assessment

15. The borrower/client will conduct socioeconomic survey(s) and a census, with appropriate socioeconomic baseline data to identify all persons who will be displaced by the project and to assess the project's socioeconomic impacts on them. For this purpose, normally a cut-off date will be established by the host government procedures. In the absence of such procedures, the borrower/client will establish a cut-off date for eligibility. Information regarding the cut-off date will be documented and disseminated throughout the project area. The social impact assessment(SIA) report will include (i) identified past, present and future potential social impacts, (ii) an inventory of displaced persons¹⁷ and their assets,¹⁸ (iii) an assessment of their income and livelihoods, and (iv) gender-disaggregated information pertaining to the economic and sociocultural conditions of displaced persons. The project's potential social impacts and risks will be assessed against the requirements presented in this document and applicable laws and regulations of the jurisdictions in which the project operates that pertain to involuntary resettlement matters, including host country obligations under international law.

16. As part of the social impact assessment, the borrower/client will identify individuals and groups who may be differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status. Where such individuals and groups are identified, the borrower/client will propose and implement targeted measures so that adverse impacts do not fall disproportionately on them and they are not disadvantaged in relation to sharing the benefits and opportunities resulting from development.

3. Resettlement Planning

17. The borrower/client will prepare a resettlement plan, if the proposed project will have involuntary resettlement impacts. The objective of a resettlement plan is to ensure that livelihoods and standards of living of displaced persons are improved, or at least restored to pre-project (physical and/or economic) levels and that the standards of living of the displaced poor and other vulnerable groups are improved, not merely restored, by providing adequate housing, security of land tenure, and steady income and livelihood sources. The resettlement plan will address all relevant requirements specified in Safeguard Requirements 2, and its level of detail and comprehensiveness of the resettlement plan will be commensurate with the significance of involuntary resettlement impacts.

18. A resettlement plan will be based on the social impact assessment and through meaningful consultation with the affected persons. A resettlement plan will include measures to ensure that the displaced persons are (i) informed about their options and entitlements pertaining to compensation, relocation, and rehabilitation; (ii) consulted on resettlement options and choices; and (iii) provided with resettlement alternatives. During the identification of the impacts of resettlement and resettlement planning, and implementation, the borrower/client will pay adequate attention to gender concerns, including specific measures addressing the need of

¹⁷A population record of all displaced persons by their residence based on the census. If a census is not conducted prior to project appraisal and the resettlement plan is based on a sample survey, an updated resettlement plan will be prepared based on a census of displaced persons after the detailed measurement survey has been completed but before any land acquisition for the project.

¹⁸The asset inventory is a preliminary record of affected or lost assets at the household, enterprise, or community level.

female headed households, gender-inclusive consultation, information disclosure, and grievance mechanisms, to ensure that both men and women receive adequate and appropriate compensation for their lost property and resettlement assistance, if required, as well as assistance to restore and improve their incomes and living standards.

19. The borrower/client will analyze and summarize national laws and regulations pertaining to land acquisition, compensation payment, and relocation of affected persons in the resettlement plan. The borrower/client will compare and contrast such laws and regulations with DB's involuntary resettlement policy principles and requirements. If a gap between the two exists, the borrower/client will propose a suitable gap-filling strategy in the resettlement.

20. All costs of compensation, relocation, and livelihood rehabilitation will be considered project costs. To ensure timely availability of required resources, land acquisition and resettlement costs may be considered for inclusion in ADB financing. Resettlement expenditures eligible for ADB financing if incurred in compliance with ADB's safeguard policy statement and with ADB-approved resettlement planning documents. If ADB funds are used for resettlement costs, such expenditure items will be clearly reflected in the resettlement plan.

21. The borrower/client will include detailed measures for income restoration and livelihood improvement of displaced persons in the resettlement plan. Income sources and livelihoods affected by project activities will be restored to pre-project levels, and the borrower/client will make every attempt to improve the incomes of displaced persons so that they can benefit from the project. For vulnerable persons and households affected, the resettlement plan will include measures to provide extra assistance so that they can improve their incomes in comparison with pre-project levels. The resettlement plan will specify the income and livelihoods restoration strategy, the institutional arrangements, the monitoring and reporting framework, the budget, and the time-bound implementation schedule.

22. The information contained in a resettlement plan may be tentative until a census of affected persons has been completed. Soon after the completion of engineering designs, the borrower/client will finalize the resettlement plan by completing the census and inventories of loss of assets. At this stage, changes to the resettlement plan take the form of revising the number of displaced persons, the extent of land acquired, the resettlement budget, and the timetable for implementing the resettlement plan. The entitlement matrix of the resettlement plan may be updated at this stage to reflect the relevant changes but the standards set in the original entitlement matrix cannot be lowered when the resettlement plan is revised and finalized. The borrower/client will ensure that the final resettlement plan (i) adequately addresses all involuntary resettlement issues pertaining to the project, (ii) describes specific mitigation measures that will be taken to address the issues, and (iii) ensures the availability of sufficient resources to address the issues satisfactorily.

23. Projects with significant involuntary resettlement impacts will need adequate contingency funds to address involuntary resettlement impacts that are identified during project implementation. The borrower/client will ensure that such funds are readily available. Moreover, the borrower/client will consult with displaced persons identified after the formulation of the final resettlement plan and inform them of their entitlements and relocation options. The borrower/client will prepare a supplementary resettlement plan, or a revised resettlement plan and will submit it to ADB for review before any contracts are awarded.

24. The borrower/client will use qualified and experienced experts to prepare the social impact assessment and the resettlement plan. For highly complex and sensitive projects, independent

advisory panels of experts not affiliated with the project will be used during project preparation and implementation.

4. Negotiated Land Acquisition

25. Safeguard Requirements 2 does not apply to negotiated settlements, unless expropriation would result upon the failure of negotiations. Negotiated settlements help avoid expropriation and eliminate the need to use governmental authority to remove people forcibly. The borrower/client is encouraged to acquire land and other assets through a negotiated settlement wherever possible, based on meaningful consultation with affected persons, including those without legal title to assets. A negotiated settlement will offer adequate and fair price foreland and/or other assets. The borrower/client will ensure that any negotiations with displaced persons openly address the risks of asymmetry of information and bargaining power of the parties involved in such transactions. For this purpose, the borrower/client will engage an independent external party to document the negotiation and settlement processes. The borrower/client will document consultation processes, policies, and laws that are applicable to such transactions; third-party validation; mechanisms for calculating the replacement costs of land and other assets affected; and record-keeping requirements and submit the documentation, together with the resettlement plan, through BIFFL, to ADB for review in accordance with paragraph 10 of the main text of this ESMS (page 2).

5. Information Disclosure

26. For BIFFL's subprojects, the requirements for public disclosure laid out in Section 3.2.1 of the main text of this ESMS arrangement apply.

27. The borrower/client will provide relevant resettlement information, including information from the resettlement plan in a timely manner, in an accessible place and in a form and language(s) understandable to affected persons and other stakeholders. For illiterate people, suitable other communication methods will be used.

6. Consultation and Participation

28. The borrower/client will conduct meaningful consultation with affected persons, their host communities, and civil society for every project and subproject identified as having involuntary resettlement impacts. Meaningful consultation is a process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues. Consultation will be carried out in a manner commensurate with the impacts on affected communities. The borrower/client will pay particular attention to the need of disadvantaged or vulnerable groups, especially those below the poverty line, the landless, the elderly, female headed households, women and children, Indigenous Peoples, and those without legal title to land.

7. Grievance Redress Mechanism

29. The borrower/client will establish a mechanism to receive and facilitate the resolution of affected persons' concerns and grievances about physical and economic displacement and other project impacts, paying particular attention to the impacts on vulnerable groups. The grievance redress mechanism should be scaled to the risks and adverse impacts of the project. It should address affected persons' concerns and complaints promptly, using an understandable and transparent process that is gender responsive, culturally appropriate, and readily accessible to the affected persons at no costs and without retribution. The mechanism should not impede access to the country's judicial or administrative remedies. The borrower/client will inform affected persons about the mechanism.

8. Monitoring and Reporting

30. The borrower/client will monitor and measure the progress of implementation of the resettlement plan. The extent of monitoring activities will be commensurate with the project's risks and impacts. In addition to recording the progress in compensation payment and other resettlement activities, the borrower/client will prepare monitoring reports to ensure that the implementation of the resettlement plan has produced the desired outcomes. For projects with significant involuntary resettlement impacts, the borrower/client will retain qualified and experienced external experts or qualified nongovernment organizations to verify the borrower's/client's monitoring information. The external experts engaged by the borrower/client will advise on safeguard compliance issues, and if any significant involuntary resettlement issues are identified, a corrective action plan will be prepared to address such issues. Until such planning documents are formulated, disclosed and approved, the borrower/client will not proceed with implementing the specific project components for which involuntary resettlement impacts are identified.

31. The borrower/client will prepare semi-annual monitoring reports that describe the progress of the implementation of resettlement activities and any compliance issues and corrective actions. These reports will closely follow the involuntary resettlement monitoring indicators agreed at the time of resettlement plan approval. The costs of internal and external resettlement monitoring requirements will be included in the project budget.

9. Unanticipated Impacts

32. If unanticipated involuntary resettlement impacts are found during project implementation, the borrower/client will conduct a social impact assessment and update the resettlement plan or formulate a new resettlement plan covering all applicable requirements specified in this document.

10. Special Considerations for Indigenous Peoples

33. The borrower/client will explore to the maximum extent possible alternative project designs to avoid physical relocation of Indigenous Peoples that will result in adverse impacts on their identity, culture, and customary livelihoods. If avoidance is impossible, in consultation with ADB,¹⁹ a combined Indigenous Peoples plan, and resettlement plan could be formulated to

¹⁹In accordance with section 2 and section 3 of this ESMS arrangement, [Sub borrower] will submit the combined involuntary resettlement and Indigenous Peoples plan of a category A subproject to ADB for review.

address both involuntary resettlement and Indigenous Peoples issues. Such a combined plan will also meet all relevant requirements specified under Safeguard Requirements 3.

Annex 2
Safeguard Requirements 1-3 of the ADB Safeguard Policy Statement

Safeguard Requirements 3: INDIGENOUS PEOPLES

A. Introduction

1. The United Nations Declaration on the Rights of Indigenous Peoples was adopted by the United Nations General Assembly in September 2007. Many countries in Asia and the Pacific have voted in favor of this nonbinding declaration. ADB recognizes the rights of Indigenous Peoples to direct the course of their own development. Indigenous Peoples do not automatically benefit from development, which is often planned and implemented by those in the mainstream or dominant population in the countries in which they live. Special efforts are needed to engage Indigenous Peoples in the planning of development programs that affect them, in particular, development programs that are supposedly designed to meet their specific needs and aspirations. Indigenous Peoples are increasingly threatened as development programs infringe into areas that they traditionally own, occupy, use, or view as ancestral domain.

2. Safeguard Requirements 3 outlines the requirements that borrowers/clients are required to meet in delivering Indigenous Peoples safeguards to projects¹ supported by ADB. It discusses the objectives and scope of application, and underscores the requirements pertaining to (i) undertaking the social impact assessment and planning process; (ii) preparing social impact assessment reports and planning documents; (iii) disclosing information and undertaking consultation, including ascertaining consent of affected Indigenous Peoples community to selected project activities; (iv) establishing a grievance mechanism; and (v) monitoring and reporting. This set of policy requirements will safeguard Indigenous Peoples' rights to maintain, sustain, and preserve their cultural identities, practices, and habitats and to ensure that projects affecting them will take the necessary measures to protect these rights.

B. Objectives

3. The objective is to design and implement projects in a way that fosters full respect for Indigenous Peoples' identity, dignity, human rights, livelihood systems, and cultural uniqueness as defined by the Indigenous Peoples themselves so that they (i) receive culturally appropriate social and economic benefits, (ii) do not suffer adverse impacts as a result of projects, and (iii) can participate actively in projects that affect them.

C. Scope of Application

4. The requirements apply to all ADB-financed and/or ADB-administered sovereign and non-sovereign projects, and their components regardless of the source of financing, including subprojects funded by a loan; and/or a grant; and/or other means, such as equity and/or guarantees (hereafter broadly referred to as projects). The requirements also cover actions conducted by the borrower/client in anticipation of ADB projects.

5. Within Asia and the Pacific, individual indigenous communities reflect tremendous diversity in their cultures, histories, and current circumstances. The contexts in which such peoples live are varied and changing and no universally accepted definition of Indigenous Peoples exists. Indigenous Peoples may be referred to in different countries by such terms as indigenous ethnic minorities, indigenous cultural communities, aboriginals, hill tribes, minority

nationalities, scheduled tribes, or tribal groups. Such groups can be considered Indigenous²⁰Peoples for operational purposes when they possess the characteristics listed in para. 6.

6. For operational purposes, the term Indigenous Peoples is used in a generic sense to refer to a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees:

- (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;
- (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories;
- (iii) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and
- (iv) a distinct language, often different from the official language of the country or region.

7. In considering these characteristics, national legislation, customary law, and any international conventions to which the country is a party will be taken into account.

8. A group that has lost collective attachment to geographically distinct habitats or ancestral territories in the project area because of forced severance remains eligible for coverage under this policy.

9. The Indigenous Peoples safeguards are triggered if a project directly or indirectly affects the dignity, human rights, livelihood systems, or culture of Indigenous Peoples or affects the territories or natural or cultural resources that Indigenous Peoples own, use, occupy, or claim as their ancestral domain.

D. General Requirements

1. Consultation and Participation

10. The borrower/client will undertake meaningful consultation with affected Indigenous Peoples to ensure their informed participation in (i) designing, implementing, and monitoring measures to avoid adverse impacts on them or, when avoidance is not possible, to minimize, mitigate, and compensate for such effects; and (ii) tailoring project benefits that accrue to them in a culturally appropriate manner. Meaningful consultation is a process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues. Consultation will be carried out in a manner commensurate with the impacts on affected communities. The consultation process and its results will be documented and reflected in the Indigenous Peoples plan (IPP).

²⁰In this attachment, the term "project" and "borrower/client" both refer to "subprojects" financed in part or in full by BIFFL using ADB funds.

11. To carry out meaningful consultation with affected Indigenous Peoples, the borrower/client will establish a context-specific strategy for inclusive and participatory consultation, including approaches of identifying appropriate Indigenous Peoples representatives, and consultation methods appropriate to the social and cultural values of the affected Indigenous Peoples communities. The borrower/client will pay special attention to the concerns of indigenous women and youth.

12. When the borrower/client and the affected Indigenous Peoples have serious differences and disagreements in relation to the project, its components, or the IPP, the borrower/ client will undertake good faith negotiations to resolve such differences and disagreements.

2. Social Impact Assessment

13. When screening by ADB²¹ confirms likely impacts on Indigenous Peoples, the borrower/client will retain qualified and experienced experts to carry out a full social impact assessment (SIA), and if impacts on Indigenous Peoples are identified, the borrower/client will prepare an IPP in conjunction with the feasibility study. The project's potential social impacts and risks will be assessed against the requirements presented in this document and applicable laws and regulations of the jurisdictions in which the project operates that pertain to Indigenous Peoples matters, including host country obligations under international law.

14. Based on the screening, a field-based SIA will be conducted either as part of the feasibility study or as a stand-alone activity. The SIA will, in a gender-sensitive manner, in consultation with Indigenous Peoples communities, identify the project-affected Indigenous Peoples and the potential impacts of the proposed project on them. The SIA will provide a base line socioeconomic profile of the indigenous groups in the project area and project impact zone; assess their access to and opportunities to avail themselves of basic social and economic services; assess the short- and long-term, direct and indirect, and positive and negative impacts of the project on each group's social, cultural, and economic status; assess and validate which indigenous groups will trigger the Indigenous Peoples policy principles; and assess the subsequent approaches and resource requirements for addressing the various concerns and issues of projects that affect them.

15. The level of detail and comprehensiveness of the SIA will be proportional to the complexity of the proposed project and commensurate with the nature and scale of the proposed project's potential effects on Indigenous Peoples, whether positive or negative.

3. Indigenous Peoples Planning

16. If the screening and SIA indicate that the proposed project will have impacts, positive and/or negative, on Indigenous Peoples, the borrower/client will prepare an IPP in the context of the SIA and through meaningful consultation with the affected Indigenous Peoples communities. The IPP will set out the measures whereby the borrower/client will ensure (i) that affected Indigenous Peoples receive culturally appropriate social and economic benefits; and (ii) that when potential adverse impacts on Indigenous Peoples are identified, these will be avoided to the maximum extent possible. Where this avoidance is proven to be impossible, based on meaningful consultation with indigenous communities, the IPP will outline measures to minimize, mitigate, and compensate for the adverse impacts. The level of detail and comprehensiveness of IPPs will vary depending on the specific project and the nature of

²¹ BIFFL undertakes screening of their subprojects

impacts to be addressed. The borrower/client will integrate the elements of the IPP into the project's design.

17. If Indigenous Peoples are the sole or the overwhelming majority of direct project beneficiaries,²² and when only positive impacts are identified, the elements of an IPP could be included in the overall project design in lieu of preparing a separate IPP. In such cases, the project document will include a summary of how the project complies with Indigenous Peoples safeguards. In particular, it will explain how the requirements for meaningful consultation are fulfilled and how the accrual of benefits has been integrated into the project design.

18. The borrower/client will update the IPP following the completion of detailed engineering design and detailed measurement surveys. The updated IPP will closely follow the award of contract packages and the implementation time schedules of each project component or subproject. Mitigating measures to avoid adverse impacts on Indigenous Peoples and measures to enhance culturally appropriate development benefits will be adjusted, but the agreed outcomes as specified in the draft IPP will not be lowered or minimized. If new groups of Indigenous Peoples are identified prior to submission of the final IPP, through the BIFFL, to ADB, meaningful consultation will be undertaken with them also.

19. The borrower/client will use qualified and experienced experts to prepare the social impact assessment and IPP. For highly complex and sensitive projects, independent advisory panels of experts not affiliated with the project will be used during project preparation and implementation. Any highly complex and sensitive projects affecting Indigenous Peoples will require an Indigenous Peoples expert on the advisory panel.

4. Information Disclosure

20. For BIFFL's subprojects, the requirements for public disclosure laid out in Section 3.2.1 of the main text of this ESMS arrangements apply.

21. The borrower/client will provide relevant information, including information from the IPP in a timely manner, in an accessible place and in a form and language(s) understandable to the affected Indigenous Peoples and other stakeholders. If the Indigenous Peoples are illiterate, other appropriate communication methods will be used.

5. Grievance Redress Mechanism

22. The borrower/client will establish a mechanism to receive and facilitate resolution of the affected Indigenous Peoples communities' concerns, complaints, and grievances. The grievance mechanism will be scaled to the impacts of the project. It should address concerns and complaints promptly, using an understandable and transparent process that is culturally appropriate, gender responsive, and accessible to the affected Indigenous Peoples communities at no cost and without retribution. The mechanism should not impede access to the country's judicial or administrative remedies. The affected Indigenous Peoples communities will be appropriately informed about the mechanism.

²²This may be the case in certain developing countries such as Pacific island nations

6. Monitoring and Reporting

23. The borrower/client will monitor and measure the progress of implementation of the IPP. The extent of monitoring activities will be commensurate with the project's risks and impacts. In addition to recording information to track performance, the borrower/client should use dynamic mechanisms, such as inspections and audits, to verify compliance with requirements and progress toward achieving the desired outcomes. For projects with significant adverse impacts on Indigenous Peoples, the borrower/client will retain qualified and experienced external experts or qualified nongovernment organizations to verify monitoring information. The external experts engaged by the borrower/client will advise on compliance issues, and if any significant Indigenous Peoples issues are found, the borrower/client will prepare a corrective action plan or an update to the approved IPP. The borrower/client will implement the corrective actions and follow up on these actions to ensure their effectiveness.

24. The borrower/client will prepare periodic monitoring reports on the progress of IPP implementation, highlighting compliance issues and corrective actions, if any. The borrower/client will submit semi-annual monitoring reports. The costs of monitoring requirements will be reflected in project budgets.

7. Unanticipated Impacts

25. If unanticipated impacts on Indigenous Peoples become apparent during project implementation, such as a change in the project's footprint, the borrower/client will carry out a social impact assessment and update the IPP or formulate a new IPP covering all applicable requirements specified in this document.

E. Special Requirements

1. Ancestral Domains and Lands and Related Natural Resources

26. Indigenous Peoples are closely tied to land, forests, water, wildlife, and other natural resources, and therefore special considerations apply if the project affects such ties. In this situation, when carrying out the social impact assessment and preparing the IPP, the borrower/client will pay particular attention to the following:

- (i) the customary rights of the Indigenous Peoples, both individual and collective, pertaining to ancestral domains, lands, or territories that they traditionally own or customarily use or occupy, and where access to natural resources is vital to the sustainability of their cultures and livelihood systems;
- (ii) the need to protect such ancestral domains, lands, and resources against illegal intrusion or encroachment;
- (iii) the cultural and spiritual values that the Indigenous Peoples attribute to such lands and resources;
- (iv) the Indigenous Peoples' natural resources management practices and the long-term sustainability of such practices; and
- (v) the need to rehabilitate the livelihood systems of Indigenous Peoples who have been evicted from their lands.

27. If the project involves activities that are contingent on establishing legally recognized rights to lands and territories that Indigenous Peoples have traditionally owned or customarily used or occupied, such as land titling projects, or the acquisition of such lands, the

borrower/client will integrate an action plan for the legal recognition of customary rights to such lands, territories, and ancestral domains in the IPP. The action plan is normally carried out before project implementation, but in some cases it may need to be formulated concurrently with the project itself. Such legal recognition may take the following forms:

- (i) full legal recognition of existing customary land tenure systems of Indigenous Peoples, or
- (ii) conversion of customary usage rights to communal and/or individual ownership rights.

28. If neither option is possible under national law, the IPP will include an action plan for legal recognition of perpetual or long-term renewable custodial or user rights.

29. In addition, for projects with potential impacts on Indigenous Peoples, the borrower/client will ensure their meaningful consultation and facilitate their informed participation on matters affecting them directly, such as proposed mitigation measures, sharing of project benefits and opportunities, and implementation arrangements.

2. Consent of Affected Indigenous Peoples Communities

30. Indigenous Peoples may be particularly vulnerable when project activities include (i) commercial development of the cultural resources and knowledge of Indigenous Peoples; (ii) physical displacement from traditional or customary lands; and (iii) commercial development of natural resources within customary lands under use that would impact the livelihoods or the cultural, ceremonial, or spiritual uses that define the identity and community of Indigenous Peoples. In deciding whether to proceed with a project involving such project activities, the borrower/client will seek the consent of affected Indigenous Peoples communities.

31. For purposes of policy application, consent of affected Indigenous Peoples communities refers to a collective expression by the affected Indigenous Peoples communities, through individuals and/or their recognized representatives, of broad community support for the project activities listed in para. 30. Such broad community support may exist even if some individuals or groups object to the project activities.

32. Where broad community support has been ascertained, the borrower/client will provide documentation that details the process and outcomes of consultations with Indigenous Peoples and Indigenous Peoples' organizations, including (i) the findings of the SIA; (ii) the process of meaningful consultation with the affected Indigenous Peoples communities; (iii) the additional measures, including project design modification, that may be required to address adverse impacts on the Indigenous Peoples and to provide them with culturally appropriate project benefits; (iv) the recommendations for meaningful consultation with and participation by Indigenous Peoples communities during project implementation, monitoring, and evaluation; and (v) the content of any formal agreements reached with Indigenous Peoples communities and/or Indigenous Peoples' organizations. The borrower/client will submit documentation of the engagement process, through the BIFFL, to ADB for review and for ADB's own investigation to assure itself of the existence of broad community support for the project activities.²³ For

²³For a BIFFL subproject that requires broad community support, the sub borrower submits documentation of the engagement process to BIFFL. The documentation of broad community support submitted by the sub borrower will be forwarded by BIFFL to ADB for their review and investigation that broad community support exists.

subprojects that are deemed by ADB not to have such support, the BIFFL will reject the subprojects.

33. When the borrower/client and the affected Indigenous Peoples have major disagreements relating to the design, the IPP, or the implementation of the activities relating to commercial development of the cultural resources, physical displacement of Indigenous Peoples, and/or to commercial development of natural resources, the borrower/client will adopt a process of good faith negotiations for resolving such differences and disagreements.

34. **Commercial Development of Cultural Resources.** If the project involves the commercial development of Indigenous Peoples' cultural resources and knowledge, the borrower/client will ensure that the affected communities are informed of (i) their rights to such resources under statutory and customary law; (ii) the scope and nature of the proposed commercial development and the parties interested or involved in such development; and (iii) the potential effects of such development on Indigenous Peoples' livelihoods, environment, and use of such resources. The IPP will reflect the nature and content of agreements and will include arrangements to ensure that Indigenous Peoples receive an equitable share of the benefits to be derived from such commercial development in a culturally appropriate way.

35. **Physical Displacement of Indigenous Peoples.** The borrower/client will explore to the maximum extent possible alternative project designs to avoid physical displacement of Indigenous Peoples that will result in adverse impacts on their identity, culture, and customary livelihoods. In exceptional circumstances, when avoidance is impossible, the borrower/client will prepare an IPP that could be combined with a resettlement plan. Such a combined plan needs to be compatible with the Indigenous Peoples' cultural preferences and will include a land-based resettlement strategy. Where possible, the plan will allow the affected Indigenous Peoples to return to the lands and territories they traditionally owned or customarily used or occupied if the reasons for their relocation cease to exist. The plan should include provisions to rehabilitate such lands, if needed.

36. **Commercial Development of Natural Resources.** If the project involves the commercial development of natural resources (such as minerals, hydrocarbons, forests, water, or hunting or fishing grounds) within customary lands under use by Indigenous Peoples, the borrower/client will ensure that the affected communities are informed of (i) their rights to such resources under statutory and customary law; (ii) the scope and nature of the proposed commercial development and the parties interested or involved in such development; and (iii) the potential effects of such development on the Indigenous Peoples' livelihoods, environment, and use of such resources. The borrower/client will include in the IPP arrangements to enable the Indigenous Peoples to receive in a culturally appropriate manner an equitable share of the benefits to be derived from such commercial development that is at least equal to or higher than that of any other affected landowners.

3. Indigenous Peoples and Development

37. In furtherance of the objectives to benefit Indigenous Peoples, developing member countries can ask ADB to support them in their development planning and poverty reduction strategies by providing financial assistance for a variety of initiatives, such as the following:

- (i) strengthen local legislation to establish legal recognition of the customary or traditional land tenure systems of Indigenous Peoples;

- (ii) enhance participation by Indigenous Peoples in the development process by incorporating their perspectives into the design of development programs and poverty reduction strategies and providing them with opportunities to benefit more fully from development programs through policy and legal reforms, capacity building, and meaningful consultations, participation, and empowerment;
- (iii) support the development priorities of Indigenous Peoples through programs developed by governments in cooperation with Indigenous Peoples;
- (iv) address the gender and intergenerational issues that exist among many Indigenous Peoples, including the special needs of indigenous women, youth, and children;
- (v) prepare participatory profiles of Indigenous Peoples to document their culture, demographic structure, gender and intergenerational relations, and social organization, institutions, production systems, religious beliefs, and resource use patterns;
- (vi) strengthen the capacity of Indigenous Peoples communities and Indigenous Peoples' organizations to prepare, implement, monitor, and evaluate development programs;
- (vii) strengthen the capacity of government agencies responsible for providing development services to Indigenous Peoples;
- (viii) preserve and respect indigenous knowledge, including strengthening intellectual property rights; and
- (ix) facilitate partnerships among the government, Indigenous Peoples 'organizations, civil society organizations, and the private sector to promote Indigenous Peoples' development programs.

Annex 3
Rapid Environmental Assessment Checklists

1. General checklist
2. Roads and highways
3. Ports and harbors

General checklist
Page 1 of 2

Rapid Environmental Assessment (REA) Checklist

Loan No./Subproject Title:

Date:

Screening Questions	Yes	No	Remarks
A. Subproject siting/location			
Is the subproject area adjacent to or within any of the following environmentally sensitive areas?			
• Cultural heritage site			
• Legally protected Area (core zone or buffer zone)			
• Wetland			
• Mangrove			
• Estuarine			
• Special area for protecting biodiversity			
B. Potential Environmental Impacts			
Will the subproject cause...			
• impairment of historical/cultural areas; disfiguration of landscape or potential loss/damage to physical cultural resources?			
• disturbance to precious ecology (e.g. sensitive or protected areas)?			
• alteration of surface water hydrology of waterways resulting in increased sediment in streams affected by increased soil erosion at construction site?			
• deterioration of surface water quality due to silt runoff and sanitary wastes from worker-based camps and chemicals used in construction?			
• increased air pollution due to project construction and operation?			
• noise and vibration due to project construction or operation?			
• involuntary resettlement of people? (physical displacement and/or economic displacement)			
• disproportionate impacts on the poor, women and children, Indigenous Peoples or other vulnerable groups?			
• poor sanitation and solid waste disposal in construction camps and work sites, and possible transmission of communicable diseases (such as STI's and HIV/AIDS) from workers to local populations?			

Screening Questions	Yes	No	Remarks
<ul style="list-style-type: none"> • creation of temporary breeding habitats for diseases such as those transmitted by mosquitoes and rodents? 			
<ul style="list-style-type: none"> • social conflicts if workers from other regions or countries are hired? 			
<ul style="list-style-type: none"> • large population influx during project construction and operation that causes increased burden on social infrastructure and services (such as water supply and sanitation systems)? 			
<ul style="list-style-type: none"> • risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during project construction and operation? 			
<ul style="list-style-type: none"> • risks to community health and safety due to the transport, storage, and use and/or disposal of materials such as explosives, fuel and other chemicals during construction and operation? 			
<ul style="list-style-type: none"> • community safety risks due to both accidental and natural causes, especially where the structural elements or components of the project are accessible to members of the affected community or where their failure could result in injury to the community throughout project construction, operation and decommissioning? 			
<ul style="list-style-type: none"> • generation of solid waste and/or hazardous waste? 			
<ul style="list-style-type: none"> • use of chemicals? 			
<ul style="list-style-type: none"> • generation of wastewater during construction or operation? 			

Rapid Environmental Assessment (REA) Checklist

Loan No./Subproject Title:

Date:

Screening Questions	Yes	No	Remarks
A. Subproject Siting			
Is the subproject area adjacent to or within any of the following environmentally sensitive areas?			
• Cultural heritage site			
• Protected Area			
• Wetland			
• Mangrove			
• Estuarine			
• Buffer zone of protected area			
• Special area for protecting biodiversity			
C. Potential Environmental Impacts			
Will the subproject cause...			
• encroachment on historical/cultural areas; disfiguration of landscape by road embankments, cuts, fills, and quarries?			
• encroachment on precious ecology (e.g. sensitive or protected areas)?			
• alteration of surface water hydrology of waterways crossed by roads, resulting in increased sediment in streams affected by increased soil erosion at construction site?			
• deterioration of surface water quality due to silt runoff and sanitary wastes from worker-based camps and chemicals used in construction?			
• increased local air pollution due to rock crushing, cutting and filling works, and chemicals from asphalt processing?			
• risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during project construction and operation during project construction and operation?			
• noise and vibration due to blasting and other civil works?			
• dislocation or involuntary resettlement of people?			
• dislocation and compulsory resettlement of people living in right-of-way?			
• disproportionate impacts on the poor, women and children, Indigenous Peoples or other vulnerable groups?			

Screening Questions	Yes	No	Remarks
<ul style="list-style-type: none"> • other social concerns relating to inconveniences in living conditions in the project areas that may trigger cases of upper respiratory problems and stress? 			
<ul style="list-style-type: none"> • hazardous driving conditions where construction interferes with pre-existing roads? 			
<ul style="list-style-type: none"> • poor sanitation and solid waste disposal in construction camps and work sites, and possible transmission of communicable diseases (such as STI's and HIV/AIDS) from workers to local populations? 			
<ul style="list-style-type: none"> • creation of temporary breeding habitats for diseases such as those transmitted by mosquitoes and rodents? 			
<ul style="list-style-type: none"> • accident risks associated with increased vehicular traffic, leading to accidental spills of toxic materials? 			
<ul style="list-style-type: none"> • increased noise and air pollution resulting from traffic volume? 			
<ul style="list-style-type: none"> • increased risk of water pollution from oil, grease and fuel spills, and other materials from vehicles using the road? 			
<ul style="list-style-type: none"> • social conflicts if workers from other regions or countries are hired? 			
<ul style="list-style-type: none"> • large population influx during project construction and operation that causes increased burden on social infrastructure and services (such as water supply and sanitation systems)? 			
<ul style="list-style-type: none"> • risks to community health and safety due to the transport, storage, and use and/or disposal of materials such as explosives, fuel and other chemicals during construction and operation? 			
<ul style="list-style-type: none"> • community safety risks due to both accidental and natural causes, especially where the structural elements or components of the project are accessible to members of the affected community or where their failure could result in injury to the community throughout project construction, operation and decommissioning. 			

Ports and Harbors
Page 1 of 3

Rapid Environmental Assessment (REA) Checklist

Loan No./Subproject Title:

Date:

Screening Questions	Yes	No	Remarks
A. Subproject Siting			
Is the subproject area adjacent to or within any of the following environmentally sensitive areas?			
• Cultural heritage site			
• Protected Area			
• Wetland			
• Mangrove			
• Estuarine			
• Buffer zone of protected area			
• Special area for protecting biodiversity			
B. Potential Environmental Impacts			
Will the subproject cause...			
• encroachment on precious ecology resulting in loss or damage to fisheries and fragile coastal habitats such as coral reefs, mangroves, and seagrass beds?			
• short-term increase in turbidity and sunlight penetration as well as changes in sediment pattern and flows at dredging site?			
• removal and disturbance of aquatic flora and fauna at dredging site?			
• deterioration of water quality due to silt runoff and sanitary wastes from worker-based camps and chemicals used in construction?			
• alteration of bottom surface and modifications to bathymetry, causing changes in tidal bore, river circulation, species diversity, and salinity?			
• changes in sediment pattern and littoral drift that may cause beach erosion of neighboring areas?			
• modification of terrestrial habitat by upland disposal of dredged material or covering of potential archaeological sites with dredge spoil?			
• short-term air quality degradation due to dredging-related operations?			
• noise and vibration due to blasting and other civil works?			
• risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during project construction and operation?			

Screening Questions	Yes	No	Remarks
• dislocation or involuntary resettlement of people?			
• disproportionate impacts on the poor, women and children, Indigenous Peoples or other vulnerable groups?			
• other social concerns relating to inconveniences in living conditions in the project areas?			
• social conflicts if construction depletes local fishery resources on which communities depend for subsistence?			
• poor sanitation and solid waste disposal in construction camps and work sites, and possible transmission of communicable diseases from workers to local populations (such as STI's and HIV/AIDS)?			
• social concerns relating to local inconveniences associated with port operation (e.g. increased volume of port traffic, greater risk of accidents, communicable disease transmission)?			
• deterioration of water quality due to ship (e.g. ballast water, oil waste, lubricant and fuel spills, sewage) and waterfront industry discharges?			
• increased noise and air pollution resulting from airborne emissions (e.g. gas, smoke, fumes) from maneuvering and berthing ships and the waterfront industry?			
• large population increase during project construction and operation that causes increased burden on social infrastructure and services (such as water supply and sanitation systems)?			
• social conflicts especially when workers from other areas are hired?			
• risks to community health and safety due to the transport, storage, and use and/or disposal of materials such as explosives, fuel and other chemicals during construction and operation?			
• community safety risks due to both accidental and natural hazards, especially where the structural elements or components of the project are accessible to members of the affected community or where their failure could result in injury to the community throughout project construction, operation and decommissioning?			

Annex 4
Social Safeguards Screening Checklists

1. Involuntary Resettlement Impact Checklist

Probable Involuntary Resettlement Effects (please elaborate in the Remarks column)	Yes	No	Not Known	Remarks
Involuntary Acquisition of Land				
1. Will there be land acquisition?				
2. Is the site for land acquisition known?				
3. Is the ownership status and current usage of land to be acquired known?				
4. Will easement be utilized within an existing Right of Way (ROW)?				
5. Will there be loss of shelter and residential land due to land acquisition?				
6. Will there be loss of agricultural and other productive assets due to land acquisition?				
7. Will there be losses of crops, trees, and fixed assets due to land acquisition?				
8. Will there be loss of businesses or enterprises due to land acquisition?				
9. Will there be loss of income sources and means of livelihoods due to land acquisition?				
Involuntary restrictions on land use or on access to legally designated parks and protected areas				
10. Will people lose access to natural resources, communal facilities and services?				
11. If land use is changed, will it have an adverse impact on social and economic activities?				
12. Will access to land and resources owned communally or by the state be restricted?				
Information on Displaced Persons:				
Any estimate of the likely number of persons that will be displaced by the subproject? [] No [] Yes If yes, approximately how many?				
Are any of them poor, female-heads of households, or vulnerable to poverty risks? [] No [] Yes				
Are any displaced persons from indigenous or ethnic minority groups? [] No [] Yes				

2. Indigenous Peoples Impact Screening Checklist

Key Concerns (Please elaborate on the Remarks column)	Yes	No	Not Known	Remarks
A. Indigenous Peoples Identification				
1. Are there socio-cultural groups present in or use the subproject area who may be considered as "tribes" (hill tribes, schedules tribes, tribal peoples), "minorities" (ethnic or national minorities), or "indigenous communities" in the subproject area?				
2. Are there national or local laws or policies as well as anthropological researches/studies that consider these groups present in or using the subproject area as belonging to "ethnic minorities", scheduled tribes, tribal peoples, national minorities, or cultural communities?				
3. Do such groups self-identify as being part of a distinct social and cultural group?				
4. Do such groups maintain collective attachments to distinct habitats or ancestral territories and/or to the natural resources in these habitats and territories?				
5. Do such groups maintain cultural, economic, social, and political institutions distinct from the dominant society and culture?				
6. Do such groups speak a distinct language or dialect?				
7. Has such groups been historically, socially and economically marginalized, disempowered, excluded, and/or discriminated against?				
8. Are such groups represented as "Indigenous Peoples" or as "ethnic minorities" or "scheduled tribes" or "tribal populations" in any formal decision-making bodies at the national or local levels?				
B. Identification of Potential Impacts				
9. Will the subproject directly or indirectly benefit or target Indigenous Peoples?				
10. Will the subproject directly or indirectly affect Indigenous Peoples' traditional socio-cultural and belief practices? (e.g. child-rearing, health, education, arts, and governance)				

Key Concerns (Please elaborate on the Remarks column)	Yes	No	Not Known	Remarks
11. Will the subproject affect the livelihood systems of Indigenous Peoples? (e.g., food production system, natural resource management, crafts and trade, employment status)				
12. Will the subproject be in an area (land or territory) occupied, owned, or used by Indigenous Peoples, and/or claimed as ancestral domain?				
C. Identification of Special Requirements <i>Will the subprojects activities include:</i>				
13. Commercial development of the cultural resources and knowledge of Indigenous Peoples?				
14. Physical displacement from traditional or customary lands?				
15. Commercial development of natural resources (such as minerals, hydrocarbons, forests, water, hunting or fishing grounds) within customary lands under use that would impact the livelihoods or the cultural, ceremonial, spiritual uses that define the identity and community of Indigenous Peoples?				
16. Establishing legal recognition of rights to lands and territories that are traditionally owned or customarily used, occupied or claimed by indigenous peoples?				
17. Acquisition of lands that are traditionally owned or customarily used, occupied or claimed by indigenous peoples?				

D. Anticipated project impacts on Indigenous Peoples

Project component/ activity/output	Anticipated positive effect	Anticipated negative effect
1. List all subproject component/activity/outputs here	Indicate effects to IPs or put N/A as necessary	
2.		
3.		
4.		
5.		

Annex 5-A Subproject Environmental Categorization Form

Subproject Safeguards Categorization BIFFL Request for Endorsement/Approval			
A. Instructions Based on subproject documents submitted by the Sub borrower, the ESSU staff of PMU (or Consultant engaged by BIFFL) will complete this form and submit to Safeguards Specialist in ADB or BRM for endorsement/approval.			
Date: _____			
B. Project Data Country/Project No./Project Title : _____ Department/ Division : _____ Processing Stage : _____			
C. ENVIRONMENT CATEGORY <input type="checkbox"/> NEW <input type="checkbox"/> RECATEGORIZATION — PREVIOUS CATEGORY <input type="checkbox"/>			
<input type="checkbox"/> Category A	<input type="checkbox"/> Category B		
<input type="checkbox"/> Category C	<input type="checkbox"/> CATEGORY FI		
D. Basis for Categorization/ Recategorization (please. attach supporting documents): <input type="checkbox"/> REA Checklist <input type="checkbox"/> Project and/or Site Description <input type="checkbox"/> Other: _____			
E. Comments			
Project Team Comments	BIFFL Comments		
F. Approval			
Proposed by: _____ Safeguards Staff, BIFFL (or Consultant) Investment Officer, BIFFL Date: _____	Endorsed by: _____ SDSS (For Category A subproject) SAPF/BRM (For Category B subproject) Date: _____		
Endorsed by: _____ Head, Investment Division, BIFFL Date: _____	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%; padding: 5px;"> Approved by: _____ Chief Compliance Officer, ADB Date: _____ </td> <td style="width: 30%; padding: 5px; text-align: center;"> <input type="checkbox"/> Highly Complex and Sensitive Project </td> </tr> </table>	Approved by: _____ Chief Compliance Officer, ADB Date: _____	<input type="checkbox"/> Highly Complex and Sensitive Project
Approved by: _____ Chief Compliance Officer, ADB Date: _____	<input type="checkbox"/> Highly Complex and Sensitive Project		

Annex 5-B Social Categorization Form

Subproject Safeguards Categorization BIFFL Request for Endorsement/Approval			
A. Instructions			
Based on subproject documents submitted by the Sub borrower, the ESSU staff of PMU (or Consultant engaged by BIFFL) will complete this form and submit to Safeguards Specialist in ADB or BRM for endorsement/approval.			
Date:			
B. Subproject Data			
Loan No./Subproject Title			
Processing stage of subproject		(e.g., identification, appraisal, refinancing, etc.)	
C. Safeguard Categorization (please tick one category-based Table 3.1 and Annex 2 of the ESMS arrangement, 09/19)			
<input type="checkbox"/> New <input type="checkbox"/> Recategorization — Previous Category <input type="checkbox"/>			
C.1 Social			
Involuntary Resettlement			
<input type="checkbox"/> Category A	<input type="checkbox"/> Category B	<input type="checkbox"/> Category C	
Indigenous Peoples			
<input type="checkbox"/> Category A	<input type="checkbox"/> Category B	<input type="checkbox"/> Category C	
Basis for Categorization/Recategorization (please attach supporting documents):			
<input type="checkbox"/> Social safeguard screening checklist <input type="checkbox"/> Others: _____(please specify)			
D. Project requires the broad community support of affected Indigenous Peoples communities.			<input type="checkbox"/> Yes <input type="checkbox"/> No
E. Comments			
Investment Team Comments		ADB/BRM Comments	
IR		IR	
IP		IP	
F. Endorsement/Approval			
Proposed by:		Endorsed by:	
Safeguards Staff, BIFFL (or Consultant) Investment Officer, BIFFL Date:		SDSS (For Category A subproject) SAPF/BRM (For Category B subproject) Date:	
Endorsed by:		Approved by:	
Head, Investment Division, BIFFL Date:		Chief Compliance Officer, ADB Date:	

Annex 6

Outline of an Environmental Impact Assessment Report for Subprojects²⁴

A. Executive Summary

This section describes concisely the critical facts, significant findings, and recommended actions.

B. Policy, Legal, and Administrative Framework

This section discusses the national and local legal and institutional framework within which the environmental assessment is carried out. It also identifies project-relevant international environmental agreements to which the country is a party.

C. Description of the Proposed Project

This section describes the proposed project; its major components; and its geographic, ecological, social, and temporal context, including any associated facility required by and for the project (for example, access roads, power plants, water supply, quarries and borrow pits, and spoil disposal). It normally includes drawings and maps showing the project's layout and components, the project site, and the project's area of influence.

D. Description of the Environment (Baseline Data)

This section describes relevant physical, biological, and socioeconomic conditions within the study area. It also looks at current and proposed development activities within the project's area of influence, including those not directly connected to the project. It indicates the accuracy, reliability, and sources of the data.

E. Anticipated Environmental Impacts and Mitigation Measures

This section predicts and assesses the project's likely positive and negative direct and indirect impacts to physical, biological, socioeconomic (including occupational health and safety, community health and safety, vulnerable groups and gender issues, and impacts on livelihoods through environmental media [Appendix 2, para. 6]), and physical cultural resources in the project's area of influence, in quantitative terms to the extent possible; identifies mitigation measures and any residual negative impacts that cannot be mitigated; explores opportunities for enhancement; identifies and estimates the extent and quality of available data, key data gaps, and uncertainties associated with predictions and specifies topics that do not require further attention; and examines global, transboundary, and cumulative impacts as appropriate.

F. Information Disclosure, Consultation, and Participation

This section: (i) describes the process undertaken during project design and preparation for engaging stakeholders, including information disclosure and consultation with affected people and other stakeholders; (ii) summarizes comments and concerns received from affected people and other stakeholders and how these comments have been addressed in project design and mitigation measures, with special attention paid to the needs and concerns of vulnerable groups, including women, the poor, and Indigenous Peoples; and (iii) describes the planned

²⁴Based on ADB SPS 2009, Annex to Appendix 2, p51.

information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for carrying out consultation with affected people and facilitating their participation during project implementation.

G. Grievance Redress Mechanism

This section describes the grievance redress framework (both informal and formal channels), setting out the time frame and mechanisms for resolving complaints about environmental performance.

H. Environmental Management Plan

This section deals with the set of mitigation and management measures to be taken during project implementation to avoid, reduce, mitigate, or compensate for adverse environmental impacts (in that order of priority). It may include multiple management plans and actions. It includes the following key components (with the level of detail commensurate with the project's impacts and risks):

- (i) Mitigation:
 - (a) identifies and summarizes anticipated significant adverse environmental impacts and risks;
 - (b) describes each mitigation measure with technical details, including the type of impact to which it relates and the conditions under which it is required (for instance, continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate; and
 - (c) provides links to any other mitigation plans (for example, for involuntary resettlement, Indigenous Peoples, or emergency response) required for the project.
- (ii) Monitoring:
 - (a) describes monitoring measures with technical details, including parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits and definition of thresholds that will signal the need for corrective actions; and
 - (b) describes monitoring and reporting procedures to ensure early detection of conditions that necessitate particular mitigation measures and document the progress and results of mitigation.
- (iii) Implementation arrangements:
 - (a) specifies the implementation schedule showing phasing and coordination with overall project implementation;
 - (b) describes institutional or organizational arrangements, namely, who is responsible for carrying out the mitigation and monitoring measures, which may include one or more of the following additional topics to strengthen environmental management capability: technical assistance programs, training programs, procurement of equipment and supplies related to environmental management and monitoring, and organizational changes; and
 - (c) estimates capital and recurrent costs and describes sources of funds for implementing the environmental management plan.

- (iv) Performance indicators: describes the desired outcomes as measurable events to the extent possible, such as performance indicators, targets, or acceptance criteria that can be tracked over defined time periods.

I. Conclusion and Recommendation

This section provides the conclusions drawn from the assessment and provides recommendations.

Annex 7

Outline of a Resettlement Plan for Subprojects²⁵

A. Executive Summary

This section provides a concise statement of project scope, key survey findings, entitlements and recommended actions.

B. Project Description

This section provides a general description of the project, discusses project components that result in land acquisition, involuntary resettlement, or both and identify the project area. It also describes the alternatives considered to avoid or minimize resettlement. Include a table with quantified data and provide a rationale for the final decision.

C. Scope of Land Acquisition and Resettlement

This section:

- (i) discusses the project's potential impacts, and includes maps of the areas or zone of impact of project components or activities;
- (ii) describes the scope of land acquisition (provide maps) and explains why it is necessary for the subproject;
- (iii) summarizes the key effects in terms of assets acquired and displaced persons; and,
- (iv) provides details of any common property resources that will be acquired.

D. Socioeconomic Information and Profile

This section outlines the results of the social impact assessment, the census survey, and other studies, with information and/or data disaggregated by gender, vulnerability, and other social groupings, including:

- (i) define, identify, and enumerate the people and communities to be affected;
- (ii) describe the likely impacts of land and asset acquisition on the people and communities affected taking social, cultural, and economic parameters into account;
- (iii) discuss the project's impacts on the poor, indigenous and/or ethnic minorities, and other vulnerable groups; and,
- (iv) identify gender and resettlement impacts, and the socioeconomic situation, impacts, needs, and priorities of women.

E. Information Disclosure, Consultation, and Participation

This section:

- (i) identifies project stakeholders, especially primary stakeholders;
- (ii) describes the consultation and participation mechanisms to be used during the different stages of the project cycle;
- (iii) describes the legal arrangements to regularize tenure and transfer titles to resettled persons;

²⁵Based on ADB SPS 2009, Annex to Appendix 2, p51.

- (v) outlines measures to assist displaced persons with their transfer and establishment at new sites;
- (vi) describes plans to provide civic infrastructure; and,
- (vii) explains how integration with host populations will be carried out.

J. Income Restoration and Rehabilitation

This section:

- (i) identifies livelihood risks and prepare disaggregated tables based on demographic data and livelihood sources;
- (ii) describes income restoration programs, including multiple options for restoring all types of livelihoods (examples include project benefit sharing, revenue sharing arrangements, joint stock for equity contributions such as land, discuss sustainability and safety nets);
- (iii) outlines measures to provide social safety net through social insurance and/or project special funds;
- (iv) describes special measures to support vulnerable groups;
- (v) explains gender considerations; and,
- (vi) describes training programs.

K. Resettlement Budget and Financing Plan

This section:

- (i) provides an itemized budget for all resettlement activities, including for the resettlement unit, staff training, monitoring and evaluation, and preparation of resettlement plans during loan implementation.
- (ii) describes the flow of funds (the annual resettlement budget should show the budget-scheduled expenditure for key items).
- (iii) includes a justification for all assumptions made in calculating compensation rates and other cost estimates (taking into account both physical and cost contingencies), plus replacement costs.
- (iv) includes information about the source of funding for the resettlement plan budget.

L. Institutional Arrangements

This section:

- (i) describes institutional arrangement responsibilities and mechanisms for carrying out the measures of the resettlement plan;
- (ii) includes institutional capacity building program, including technical assistance, if required;
- (iii) describes role of NGOs, if involved, and organizations of affected persons in resettlement planning and management; and,
- (iv) describes how women's groups will be involved in resettlement planning and management,

M. Implementation Schedule

This section includes a detailed, time bound, implementation schedule for all key resettlement and rehabilitation activities. The implementation schedule should cover all aspects of

resettlement activities synchronized with the project schedule of civil works construction and provide land acquisition process and timeline.

N. Monitoring and Reporting

This section describes the mechanisms and benchmarks appropriate to the project for monitoring and evaluating the implementation of the resettlement plan. It specifies arrangements for participation of affected persons in the monitoring process. This section will also describe reporting procedures.

Annex 8

Outline of an Indigenous Peoples Plan for Subprojects¹

A. Executive Summary

This section concisely describes the critical facts, significant findings, and recommended actions.

B. Description of the Proposed Project

This section provides a general description of the project; discusses project components and activities that may bring impacts on Indigenous Peoples; and identify project area.

C. Social Impact Assessment

This section:

- (i) reviews the legal and institutional framework applicable to Indigenous Peoples in project context.
- (ii) provides baseline information on the demographic, social, cultural, and political characteristics of the affected Indigenous Peoples communities; the land and territories that they have traditionally owned or customarily used or occupied; and the natural resources on which they depend.
- (iii) identifies key project stakeholders and elaborate a culturally appropriate and gender-sensitive process for meaningful consultation with Indigenous Peoples at each stage of project preparation and implementation, taking the review and baseline information into account.
- (iv) assesses, based on meaningful consultation with the affected Indigenous Peoples communities, the potential adverse and positive effects of the project. Critical to the determination of potential adverse impacts is a gender-sensitive analysis of the relative vulnerability of, and risks to, the affected Indigenous Peoples communities given their particular circumstances and close ties to land and natural resources, as well as their lack of access to opportunities relative to those available to other social groups in the communities, regions, or national societies in which they live.
- (v) includes a gender-sensitive assessment of the affected Indigenous Peoples' perceptions about the project and its impact on their social, economic, and cultural status.
- (vi) identifies and recommends, based on meaningful consultation with the affected Indigenous Peoples communities, the measures necessary to avoid adverse effects or, if such measures are not possible, identifies measures to minimize, mitigate, and/or compensate for such effects and to ensure that the Indigenous Peoples receive culturally appropriate benefits under the project.

D. Information Disclosure, Consultation and Participation

This section:

- (i) describes the information disclosure, consultation and participation process with the affected Indigenous Peoples communities that was carried out during project preparation;

¹ ADB SPS 2009, Annex to Appendix 3, p63.

- (ii) summarizes their comments on the results of the social impact assessment and identifies concerns raised during consultation and how these have been addressed in project design;
- (iii) in the case of project activities requiring broad community support, documents the process and outcome of consultations with affected Indigenous Peoples communities and any agreement resulting from such consultations for the project activities and safeguard measures addressing the impacts of such activities;
- (iv) describes consultation and participation mechanisms to be used during implementation to ensure Indigenous Peoples participation during implementation; and,
- (v) confirms disclosure of the draft and final IPP to the affected Indigenous Peoples communities.

E. Beneficial Measures

This section specifies the measures to ensure that the Indigenous Peoples receive social and economic benefits that are culturally appropriate, and gender responsive.

F. Mitigative Measures

This section specifies the measures to avoid adverse impacts on Indigenous Peoples; and where the avoidance is impossible, specifies the measures to minimize, mitigate and compensate for identified unavoidable adverse impacts for each affected Indigenous Peoples groups.

G. Capacity Building

This section provides measures to strengthen the social, legal, and technical capabilities of (a) government institutions to address Indigenous Peoples issues in the project area; and (b) Indigenous Peoples organizations in the project area to enable them to represent the affected Indigenous Peoples more effectively.

H. Grievance Redress Mechanism

This section describes the procedures to redress grievances by affected Indigenous Peoples communities. It also explains how the procedures are accessible to Indigenous Peoples and culturally appropriate and gender sensitive.

I. Monitoring, Reporting and Evaluation

This section describes the mechanisms and benchmarks appropriate to the project for monitoring, and evaluating the implementation of the IPP. It also specifies arrangements for participation of affected Indigenous Peoples in the preparation and validation of monitoring, and evaluation reports.

J. Institutional Arrangement

This section describes institutional arrangement responsibilities and mechanisms for carrying out the various measures of the IPP. It also describes the process of including relevant local organizations and NGOs in carrying out the measures of the IPP.

K. Budget and Financing

This section provides an itemized budget for all activities described in the IPP.

Annex 9

Outline of Environmental and Social Due Diligence Report

A. Introduction

1. Subproject description: subproject title, type of subproject, location and setting, amount, size (production capacity, number of staff, etc.).
2. Environmental and social categorization and rationale.
3. Applicable Environmental and Social Requirements (see Section II B)

B. Scope of Review and Methodology

1. Documents reviewed (e.g. environmental assessment reports, involuntary resettlement plan, Indigenous Peoples plan, or environmental and social compliance audit reports, copies of permits/licences, etc.).
2. Methodology adopted (e.g. site visit, inspection report, etc.).

C. Compliance and Liability (by relevant safeguard requirements applicable for the specific subproject, examine environmental and social issues and compliance)

1. Examine issues in terms of environmental, involuntary resettlement and Indigenous Peoples impacts, mitigation measures to address these issues (or corrective action plan for existing facilities) and compliance status with applicable ADB environmental and social safeguard requirements and national laws, regulations, and standards:

(i) Environmental Safeguards

- (i) appropriate identification of major anticipated environmental impacts and risks;
- (ii) adequacy of environmental assessment (for category A subprojects, including the adequacy of alternative analysis);
- (iii) compliance status with applicable requirements for (i) information disclosure; (ii) consultation with affected people and other stakeholders;(iii) occupational and community health and safety, biodiversity conservation and sustainable natural resource management, and physical cultural resources; and
- (d) adequacy of mitigation measures and EMP (mitigation measures, monitoring and reporting, institutional arrangement, budget), or corrective action plan for existing facilities, if any.

(ii) Involuntary Resettlement Safeguards

- (a) appropriate identification of major anticipated involuntary resettlement impacts and risks (including both physical displacement and economic displacement);
- (b) adequacy of assessment of social impacts, information disclosure and consultation with affected people and other stakeholders;
- (c) adequacy of compensation and benefits for displaced persons;
- (d) adequacy of resettlement plan (measures to enhance or restore the livelihoods of displaced persons, monitoring and reporting, institutional arrangement, budget), or corrective action plan for existing facilities, if any; and
- (e) private sector responsibilities under government-manages resettlement.

(iii) Indigenous Peoples Safeguards

- (a) appropriate identification of major anticipated impacts on Indigenous Peoples (including potential impacts on traditional or customary lands under use; relocation of Indigenous Peoples from traditional and customary lands, and impacts on cultural resources);
- (b) adequacy of information disclosure and meaningful consultation;
- (c) broad community support, where applicable;
- (d) adequacy of measures to avoid adverse impacts; and
- (e) adequacy of Indigenous Peoples plan (benefit sharing, measures to mitigate and minimize adverse impacts, monitoring and reporting, institutional arrangement, budget), or corrective action plan for existing facilities, if any.

(iv) Adequacy of grievance redress mechanism arrangements.

- 2. Recommend mitigation measures, or corrective action plans, if gaps are identified:
- 3. For existing facilities including subprojects under construction, examine whether the sub borrower paid pollution charges or fines/penalties for non-compliance in the last two years in accordance with national laws, whether the sub borrower is exposed to potentially significant liabilities, such as those arising from known or suspected land/groundwater contamination, major accidents and incidents related to the sub borrower's past or ongoing operations, and state further actions required/planned by the sub borrower, in particular actions to address any non-compliance problems and liabilities. Also examine whether there are complaints from the public or local communities regarding the sub borrower's environmental and social performance.
- 4. State any risk control or mitigation measures to be taken by the sub borrower, such as conditions, loan covenants, or monitoring and reporting requirements.

D. Other Subproject Specific Issues, if any

E. Conclusion and Recommendations

Annex 10
Scope for an Annual Environmental Monitoring Report for Subborrowers

A. Subproject Name and Summary Information

- (i) Location
- (ii) Scale/size/capacity
- (iii) Reporting period covered by this monitoring report (month/year)
- (iv) Specification of subproject stage (design, construction, operation or closure stage)
- (v) Key developments and any major changes in subproject location and design, if any

B. Relevant Environmental Permits or Compliance Certificates

- (i) Issued by government agency(ies) (include name of agency)
- (ii) Issuance dates and duration of validity
- (iii) Permit conditions and renewal requirements
- (iv) Other standards and/or certificates (e.g., ISO 14000 Environmental Management Systems and Standards)

C. Grievance Redress Mechanism

- (i) Date established and description of organizational arrangements
- (ii) Complaints, grievance, or protests received from local communities, recorded dates and organizations involved, actions taken to resolve grievances; any outstanding issues and proposed measures for resolution

D. Occupational and Community Health and Safety

- (i) Training programs carried out
- (ii) Incidents¹ recorded, including date, scale of damage and injury², if any; authorities in charge of investigation/recording, and media or community reactions, if any; action taken to respond to the incident; and any outstanding issues and proposed measures
- (iii) Other health and safety events or out-reach activities

E. Environmental Management Capacity

- (i) Number of staff, qualifications and experience in environmental management
- (ii) Awareness of: (a) environmental issues, (b) health and safety, (c) national environmental laws and regulations, and (d) applicable ADB's environmental safeguard requirements
- (iii) Training programs carried out
- (iv) Assessment of environmental management capacity needs (including planned capacity building programs)

¹Including incidents that have caused damage on the environment or to human health, and/or attracted attention of outside parties (e.g., fire, explosion, chemical or oil spill, and pollution release).

²Including fatalities, serious injuries (requiring emergency treatment or hospitalization), lost time accidents (requiring more than one day off work to recover), and incidents involving compensation claims.

F. Stakeholder Consultation

- (i) Details of information disclosure and consultations, if any, with affected people, local communities, civil society groups, and other stakeholders
- (ii) Details of approach/methodology on addressing the concerns and issues raised at consultations

G. Compliance with Applicable Environmental Safeguard Requirements as Defined in Section II B of the ESMS Arrangement

Implementation of EMP (citing changes in the EMP, where warranted) at construction or operation phase, focusing on mitigation measures and monitoring program. Attach copies of monitoring reports. If standards or thresholds are exceeded, specify the corrective actions implemented or to be implemented.

H. Other Information and Feedback

Please list any other information that BIFFL should be aware of. This may relate to broader environmental matters, community initiatives within the Sub borrower, positive media or NGO attention, training activities, management system initiatives or cost savings through process efficiency, environment-friendly processes.

Name and Signature

Name:

Position:

Signature:

Date:

Phone:

E-mail:

Annex 11
Scope for an Annual Social Safeguards Monitoring Report for Sub borrowers

A. Introduction

- (i) Brief description of the subproject

B. Physical Progress of Subproject Components with Resettlement and Indigenous Peoples Impacts

List of subproject components with resettlement and Indigenous Peoples impacts and progress updates (including engineering progress, and ground clearing, land acquisition and structure demolition progress)

C. Scope of Resettlement Impacts and and/or Impacts on Indigenous Peoples

- (i) Actual scope of land acquisition and resettlement (including the methodology to determine the actual scope of land acquisition and resettlement, and comparison with the scope of impacts in resettlement plan(s))
- (ii) Actual impacts on Indigenous Peoples (including the methodology to determine the actual scope of impacts on Indigenous Peoples, and comparison with the scope of impacts in Indigenous Peoples plan(s))

D. Institutional Arrangements

- (i) Key organizations involved in resettlement plan and/or IPP implementation
- (ii) Progress of activities implemented by other organizations
- (iii) Specific implementation arrangements for Indigenous Peoples

E. Compensation Rates, Payment and Assistance Delivery

- (i) Compensation rates for land, resettlement subsidies, standing crops, and trees
- (ii) Compensation for buildings and allowances for relocation
- (iii) Allocation and utilization of resettlement compensation
- (iv) Payment delivery to affected village groups and individuals
- (v) Assistance delivery to affected Indigenous Peoples

F. Status of Land Acquisition, Resettlement, and Reconstruction

- (i) Housing relocation and reconstruction
- (ii) Provision of replacement agricultural and/or commercial land
- (iii) Restoration of affected public infrastructure and facilities
- (iv) Restoration of land used for construction-related activities
- (v) Implementation progress of income restoration activities
- (vi) Support to vulnerable groups
- (vii) Implementation progress of specific measures for affected Indigenous Peoples

G. Status of Provisions for Indigenous Peoples

- (i) Culturally appropriate beneficial measures for each affected Indigenous Peoples group
- (ii) Mitigative measures for each affected Indigenous Peoples group
- (iii) Capacity building measures for Indigenous Peoples communities in the subproject area
- (iv) Broad community support, where required

H. Consultation and Disclosure Activities and Grievance Procedures

- (i) Consultations on compensation standards and fees, relocation options, etc.
- (ii) Specific consultations conducted with Indigenous Peoples on the subproject, its impacts and assistance to Indigenous Peoples
- (iii) Any good faith negotiation to resolve major disagreements with Indigenous Peoples
- (iv) Grievances received and actions taken to address them

H. Grievance Redress Mechanism

- (i) Date established and description of organizational arrangements
- (ii) Grievances reported and resolution processes (e.g., nature of grievance, recorded dates and organizations involved, actions taken to resolve grievances, and media or community reactions (if any))

I. Compliance with Applicable Social Safeguard Requirements as Defined in the Section 2.2 of BIFFL’s ESMS Arrangement

J. Concerns and Work Plan

- (i) Concerns encountered, solutions provided, and good practices established
- (ii) Work plan (staffing, training, and work schedules)

Name and Signature

Name:

Position:

Signature:

Date:

Phone:

E-mail