



SAFEGUARDS AND SUSTAINABILITY SERIES

Volume 1 - Issue 4 (November 2015)

Environmental and Social Assessment Procedures (ESAP)



AFRICAN DEVELOPMENT BANK GROUP

Quality Assurance and Results Department
Compliance and Safeguards Division

© 2015 African Development Bank Group
All rights reserved.

African Development Bank Group
Environmental and Social Assessment Procedures (ESAP)

African Development Bank Group

Immeuble CCIA - Avenue Jean-Paul II - 01 B.P. 1387 Abidjan 01, Côte d'Ivoire
Phone: (225) 20 26 36 56 • Fax: (225) 20 21 31 00

www.afdb.org

Environmental and Social Assessment Procedures (ESAP)

Content

Acronyms	1
Foreword	2
Background	4
ESAP purpose	7
ESAP scope	9
Environmental and social assessment process	13
Project phase 1: Country programming	13
Project phase 2: Project identification	13
Project phase 3: Project preparation	15
Project phase 4: Project appraisal	19
Project phase 5: Loan negotiations, Board presentation and loan signature	23
Project phase 6: Project implementation and supervision	25
Project phase 7: Project completion	27
Project phase 8: Post completion	28
Integrated Safeguards Tracking System	29
Annexes	31

Content

Tables

Table 1	Key Environmental and Social Assessment Procedures (ESAP) Revisions	4
Table 2	Summary of ESAP steps, responsibilities and outputs	9
Table 3	Summary of the ISTS	29
Table 4	Summary of OS Objectives and Triggers	36

Boxes

Box 1	Responsibilities of Borrowers, Sector Departments and Safeguards and Compliance Division at the project identification stage	14
Box 2	Categorization of Bank sponsored private sector operations	14
Box 3	Responsibilities of Borrowers, Sector Departments and Safeguards and Compliance Division at the project preparation stage (Category 1 and 2 projects)	15
Box 4	Responsibilities of Sector Departments and Safeguards and Compliance Division at the project preparation stage (Category 4 projects)	17
Box 5	Concept review of Bank sponsored private sector operations	18
Box 6	Responsibilities of Borrowers, Sector Departments and Safeguards & Compliance Division at the project appraisal stage (Category 1 and 2 projects)	19
Box 7	Responsibilities of Borrowers, Sector Departments and Safeguards and Compliance Division at the project appraisal stage (Category 4 projects)	22
Box 8	Appraisal of Bank sponsored private sector operations	23
Box 9	Responsibilities of the Legal, Sector Departments / Private Sector Department, and Safeguards and Compliance Division at the loan negotiations, board presentations and loan signature stage	24
Box 10	Loan negotiation of Bank sponsored private sector operations	25
Box 11	Responsibilities of Borrowers, Sector Departments / Private Sector Department and Safeguards and Compliance Division at the implementation and supervision stage	25
Box 12	Implementation and supervision of Bank sponsored private sector operations	27
Box 13	Responsibilities of Sector Departments / Private Sector Department and Safeguards and Compliance Division at the completion stage	27
Box 14	Completion of Bank sponsored private sector operations	28

Acronyms

ARAP	Abbreviated Resettlement Action Plan
CSP	Country Strategy Paper
DFI	Development Financial Institution
ESA	Environmental and Social Assessment
ESAP	Environmental and Social Assessment Procedures
ESCON	Environmental and Social Compliance Note
ESCR	Environmental and Social Completion Report
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
ESS	Environmental and Social Scoping
ESSM	Environmental and Social Scoping Memorandum
E&S	Environmental and Social
FI	Financial Intermediary
FRAP	Full Resettlement Action Plan
GECL	General Counsel and Legal Services Department
IPRR	Implementation Progress and Results Report
IESIA	Integrated Environmental and Social Impact Assessment
ISS	Integrated Safeguards System
ISTS	Integrated Safeguards Tracking System
MDB	Multilateral Development Bank
IDEV	Operations Evaluation Department
OPSM	Operations of Private Sector and Microfinance
ORQR.3	Compliance and Safeguards Division
OS	Operational Safeguard
PAR	Project Appraisal Report
PBO	Program-Based Operations
PCN	Project Concept Note
PCR	Project Completion Report
PEN	Preliminary Evaluation Note
PIC	Public Information Centre
RCM	Request for Categorization Memorandum
RISP	Regional Integration Strategy Paper
RMC	Regional Member Country
SESA	Strategic Environmental and Social Assessment
TOR	Terms of Reference
VCM	Validation of Categorization Memorandum

Foreword

ENVIRONMENTAL AND SOCIAL ASSESSMENT PROCEDURES (ESAP) REVISED VERSION 2015

The Bank's existing Environmental and Social Assessment Procedures (approved in 2001) have been revised to reflect the updated information, upgraded processes and cutting-edge knowledge embodied in the Integrated Safeguards System (ISS). It also addresses the limitations of the existing ESAP and provides a strong procedural basis for the operationalization of the Integrated Safeguards Systems. It details the specific procedures that the Bank and its borrowers or clients should follow to ensure that Bank operations meet the requirements of the operational safeguards (OSs) at each stage of the Bank's project cycle.

Its adoption and implementation enhance the environmental and social performance of the Bank's operations and improve project outcomes. The ESAP will help to improve decision-making and project results by ensuring that Bank-financed operations conform to the requirements laid out in the operational safeguards (OS) and are thus sustainable. Effective implementation of the ESAP will help to avoid incurring costs and implementation delays as a result of unanticipated problems. It will also reduce the need for project conditionality as remedial measures can be taken in advance and incorporated into project design or project alternatives can be considered.

The ESAP describes how the Bank and its borrowers should work together to ensure that environmental, climate change and social considerations are integrated into the project cycle from country programming to post completion. It represents a coordination mechanism between the Bank, relevant government agencies and private sector entities and plays an important role in building the environmental, social and climate change management capacity of the project's executing agency.

The Environmental and Social Assessment procedures apply during the entire project cycle, with differentiated tasks to be performed, roles and responsibilities for the Bank and its borrowers and clients:

- During country programming, the key task is to develop and update baseline data on RMCs' environmental and social components, policies, programs and capacities to better integrate environmental and social dimensions into lending priorities
- At the project identification phase, the screening exercise focuses on the environmental and social dimensions of a project to categorize it in one out of four categories based on the potential adverse environmental and social impacts of the project.
- During project preparation, the scoping exercise helps to define the scope of the Environmental and Social Assessments (ESA) to be completed by the Borrower based on the project category, with the assistance of staff from the operational departments. The preparation of these assessments requires consultations with primary and secondary stakeholders. Once ESAs are finalised, the review process allows operational departments to ensure that Bank's vision, policies and guidelines were adequately taken into account in project design and implementation.
- During the appraisal phase, ESIA Summaries shall be reviewed and cleared by the Safeguards and Compliance Division. Finally, the procedures require the public disclosure of summaries in

accordance with specified deadlines. For Category 1 projects, these shall be disclosed for 120 days for public sector projects and at least for 60 days for private sector operations. All category 2 operations shall be disclosed for 30 days before Board deliberations.

- At the project implementation phase, the Borrowers shall ensure the implementation of Environmental and Social management Plans developed to address adverse impacts, while monitoring the project impacts and results. Operational staff shall supervise the Borrowers' work and verify compliance through supervision missions and/or environmental and social audits, whenever necessary. Audits undertaken during the completion phase and post-evaluations shall also aim to assess the environmental and social sustainability of the results.

Throughout the project cycle, the joint participation of environmental and social

expertise in project screening, scoping, field missions and audits is invaluable. Their involvement is considered particularly important for Category 1 and 4 projects:

- The Borrowers are responsible for integrating environmental and social considerations into sponsored projects;
- The Bank's Operations Complexes assist the Borrowers in meeting Bank's requirements;
- The Compliance and Safeguards Division verifies compliance to the procedures, essentially at the entry and approval points, and provides peer-level advice and support for missions, audits and document review upon request.

The ESAP contains twenty five annexes that detail the procedures and formats required to implement Environmental and Social Assessments and covenants throughout the project cycle. ■

Background

In 2009, the African Development Bank (hereinafter referred to as the Bank) committed itself to the revision and upgrading of its environmental and social safeguards system and procedures by preparing and adopting in December 2013 an Integrated Safeguards System (ISS) and by promoting the mainstreaming of climate change considerations into its safeguards' review and compliance process.

As an integral part of its Strategy (2013-2022), the Bank is committed, to protecting Africa's most vulnerable people and providing them with opportunities to benefit from Bank operations. This ISS builds upon the Bank's existing set of cross-cutting and sectoral policies, including in particular the 2004 Policy on the Environment and the 2003 Involuntary Resettlement Policy. It also draws upon current Bank priorities, emerging issues and lessons learned from safeguards implementation in

recent years. Finally, it takes into account current "best practice" among other Multilateral Development Banks (MDBs) and associated efforts being made to harmonize environmental and social safeguards and their implementation procedures across the MDBs.

The ISS consists of:

- The Integrated Safeguards Policy Statement is the Bank's declaration of its commitment to environmental and social sustainability and to reducing potential risks of non-compliance with Bank policies and procedures;
- Operational Safeguards are clear statements of the Bank's requirements from its borrowers or clients in terms of conducting best practice environmental and social assessments of operations

Table 1 Key Environmental and Social Assessment Procedures (ESAP) Revisions

Revision	Brief description of revision
Broadened ESAP scope – to cover private sector projects.	<ul style="list-style-type: none"> • The revised ESAP cover not only public, but also private sector Bank lending operations.
Introduction of Integrated Safeguards Tracker (IST).	<ul style="list-style-type: none"> • The revised ESAP contain an IST system. The IST's basic purpose is to facilitate the verification of project compliance with the requirements set out in the Operational Safeguards (OSs), over the course of the Project Cycle. A more detailed description of the IST is provided in the revised ESAP document itself.
Introduction of Environmental and Social Categorization Memorandum (ESCM).	<ul style="list-style-type: none"> • The revised ESAP require the Sector Departments to draft an ESCM during the project identification phase of the Project Cycle. This ESCM assigns the project a Category and requests ORQR.3 to review and clear the Category.
Broadened use of Environment and Social Scoping Memorandum (ESSM) – to cover Category 4 projects and private sector projects.	<ul style="list-style-type: none"> • The revised ESAP require that, during the project preparation phase of the Project Cycle, the Sector Departments develop an ESSM not only for Category 1 and 2 projects, but also for Category 4 projects. • The revised ESAP require that an ESSM is developed not only for public sector projects, but also for private sector projects.
Broadened use of ORQR.3 compliance check – to cover private sector projects and Environmental and Social Management System (ESMS).	<ul style="list-style-type: none"> • The revised ESAP require that ORQR.3 engages in a PCN compliance check not only for public projects, but also for private projects. • The revised ESAP require that ORQR.3 engages in a PAR compliance check not only for public sector projects, but also for private sector projects. • The revised ESAP require that ORQR.3 engages in an ESMS compliance check for Category 4 projects during the project appraisal phase of the Project Cycle.
Increased ORQR.3 responsibility for disclosure.	<ul style="list-style-type: none"> • The revised ESAP require that ORQR.3 itself is responsible for disclosing the ESA and ESMP summaries (and where applicable the FRAP / ARAP) during the project appraisal phase of the Project Cycle.

that may be financed or managed by the Bank, and identifying specific standards or risk management measures that should be adopted as a condition for Bank support;

- Environmental and Social Assessment Procedures (ESAP) provide information on the specific procedures that the Bank and its borrowers or clients should follow to ensure that Bank operations meet the requirements of the OSs at each stage of the Bank's project cycle;

- Integrated Environmental and Social Impact Assessment (IESIA) Guidance Notes that provide technical guidance on specific methodological approaches or standards and management measures relevant to meeting the OSs.

Key revisions applied in the ESAP procedures are summarized in Table 1.

This document presents the revised ESAP that constitute part of the ISS. They supersede and replace the 2001 ESAP. ■



ESAP purpose

The key purpose of the ESAP is to improve decision-making and project results by ensuring that Bank-financed operations conform to the requirements laid out in the OSs and are thus sustainable. It is with this goal in mind that the ESAP require that environmental, climate change and social considerations are assessed early in the Project Cycle and are reflected in project selection, site selection, planning and design.

The ESAP describe how the Bank and its borrowers¹ should work together to ensure that environmental, climate change and social considerations are integrated into the Project Cycle from Country Programming to Post Completion. Specifically, the ESAP addresses how to implement the general and specific requirements set out in the OSs at each stage of the Project Cycle.

The Environmental and Social Assessment (ESA) process outlined in the ESAP provides a way to improve a project environmentally, socially and in relation to climate change, thereby enhancing its benefits and – in order of priority – avoiding, minimizing, mitigating or compensating for adverse impacts. The ESA process also seeks to ensure that access to benefits is sufficiently broad, that information in a suitable form is disclosed in a timely manner

and that the borrower engages in meaningful consultation (i.e. consultation that is free, prior and informed) with local stakeholders and potentially affected communities; in particular, with vulnerable groups, to enable them to participate actively in decisions about avoiding or managing environmental and social impacts.

Effective implementation of the ESAP will help to avoid incurring costs and implementation delays as a result of unanticipated problems. It will also reduce the need for project conditionalities as measures can be taken in advance, can be incorporated into project design or project alternatives can be considered. Finally, the ESAP are a coordination mechanism between the Bank, relevant government agencies and private sector entities and play an important role in building the environmental, climate change and social management capacity of the project's executing agency. It should be noted that the Bank has introduced a Climate Safeguards System (CSS) to complement the IESIA and has also integrated the associated climate vulnerability and adaptation requirements and procedures into the ISS. The CSS can be accessed using this link <http://css.afdb.org:8080/AfDB-CSS/afdbhomepage.html> and following login instructions: login is *Tmanager*, password is *taskmanager*. ■

¹ In this document, the term "borrower" covers public and private sector recipients of loans as well as other forms of financial instrument.



ESAP scope

The ESAP cover all public and private sector Bank lending operations and project activities funded through other financial instruments managed by the Bank, except where specifically exempted. In this document, the term “project” thus refers to all such applicable lending operations and project activities. The ESAP for private sector projects differ in a limited number of instances – taking account of slight differences in the Bank’s Project Cycle requirements for private sector projects. *These differences are highlighted in specific boxes in the text.*

The assessment process presented in the ESAP identifies how the ESA requirements shall be implemented and monitored at each phase of the Project Cycle. The key overall elements of the ESA process are indicated in OS 1. OSs 2 to 5 set out specific requirements relating to a

number of key environmental and social issues that need to be addressed in the ESA process, if the nature, scale and location of the project are likely to cause relevant adverse impacts.

In addition to the requirements set out in the OSs, Bank-financed projects must comply with Regional Member Country (RMC) environmental and social legislation and regulations, with national and subnational requirements for public consultations and disclosure and with any international agreements ratified by the borrowing country. Bank-financed projects that will potentially affect several countries – such as international or trans-boundary projects – must comply with the laws, policies and guidelines in place in the countries potentially affected. Where countries’ requirements differ, the most stringent laws, policies and guidelines shall be applied. ■

Table 2 Summary of ESAP steps, responsibilities and outputs

Applicable project categories	Step number	Responsibility	Output
Project Cycle Phase 1: Country Programming			
	1.1 Country/Regional Departments, with Sector Department support, develop and update CSPs and RISPs to mainstream environmental, social and climate change considerations. Relevant E&S concerns are inserted into the ISTS.	Country / Regional Departments (supported by Sector Departments)	<ul style="list-style-type: none"> • Environmental, social and climate change content in CSPs and RISPs • Initiate ISTS
Project Cycle Phase 2: Project Identification			
All projects	2.1 RMC, with Sector Department support, provides baseline data for screening/scoping. In addition the RMC shall provide internal screening/scoping.	RMC (supported by Sector Departments)	<ul style="list-style-type: none"> • Environmental, social and climate change baseline data • Screening information based on national systems
	2.2 Sector Departments conduct screening/scoping to determine the project category through an RCM.	Sector Departments	<ul style="list-style-type: none"> • Draft RCM
	2.3 The Compliance and Safeguards Division reviews Category, revises if necessary, validates Category, prepares VCM, categorizes project in SAP database and also stores the information in the ISTS.	The Compliance and Safeguards Division	<ul style="list-style-type: none"> • VCM • Categorization of project in SAP database • Updated ISTS

Applicable project categories	Step number	Responsibility	Output	
Project Cycle Phase 3: Project Preparation				
Category 1 and 2 Projects	3.1a	Sector Departments notify ¹ borrower of Category and specify ESA studies required.	Sector Departments and Borrower	• Project category notification
	3.2a	Borrower or RMC prepares TOR for ESA studies.	Borrower (supported by Sector Departments)	• Draft TOR for ESA studies
	3.3a	Sector Departments review TOR for ESA studies and provide comments to borrower ² .	Borrower (supported by Sector Departments)	• Finalized TOR for ESA studies
	3.4a	Borrower begins to prepare ESA studies.	Borrower (supported by Sector Departments)	• Initial work to prepare draft ESA studies
	3.5a	Sector Departments integrate relevant information from TOR of ESA studies into PCN.	Sector Departments	• Integration of relevant information from TOR of ESA studies into PCN
	3.6a	PCN is subject to Readiness Review (for public sector projects). The Compliance and Safeguards Division engages in compliance check (for public sector projects), prior to PCN being submitted to Country Team Meeting and for Ops Com approval as applicable.	Compliance and Safeguards Division	• Satisfactory rating in appropriate section of Readiness Review • Satisfactory compliance check and updated ISTS
Category 4 Projects	3.1b	Sector Departments notify Client/Borrower of Category.	Sector Departments	• Notification of Category to Client/Borrower
	3.2b	Client/Borrower prepares TOR for ESMS with Sector Departments.	Client/Borrower (supported by Sector Departments)	• ESMS or TOR for ESMS
	3.3b	Sector Departments integrates TOR of ESMS or existing ESMS into PCN	Sector Departments	• Integration of Information from TOR of ESMS or existing ESMS into PCN
	3.4b	PCN is subject to Readiness Review (for public sector FIs). The Compliance and Safeguards Division engages in compliance check (for public sector FIs), prior to PCN being submitted to Country Team Meeting and for Ops Com approval as applicable.	The Compliance and Safeguards Division	• Satisfactory rating in appropriate section of Readiness Review • Satisfactory compliance check • Updated ISTS
Project Cycle Phase 4: Project Appraisal				
Category 1 and 2 Projects	4.1a	Once ESA studies have been prepared, Sector Departments review them and provide comments to borrower.	Sector Departments	• Comments on ESA studies
	4.2a	Borrower finalizes ESA studies.	Borrower	• Final ESA studies
	4.3a	Sector Departments review final ESA studies, prepare summaries and submit summaries and main ESA documents to the Compliance and Safeguards Division through a Request for Review and Clearance of ESA Studies Memorandum.	Sector Departments	• ESA studies and summaries • Request for Review and Clearance of ESA Studies Memorandum
	4.4a	ESA studies are disclosed in the country by the borrower.	Borrower	• Disclosure of ESA studies in-country
	4.5a	The Compliance and Safeguards Division reviews and clears ESA studies summaries and issue ESCON to Sector Department including conditions for loan agreements.	Compliance and Safeguards Division	• Clearance of ESA Studies Memorandum • ESCON
	4.6a	Sector Departments provide synopses of ESA studies for PAR compliance check and disclose summaries after clearance from the Compliance and Safeguards Division.	Sector Departments	• Integration of summaries into PAR • Disclosure of summaries in the Bank Web site
	4.7a	PAR is subject to Readiness Review (for public sector projects). For both public and private sector projects, the Compliance and Safeguards Division engages in compliance check, prior to PAR being submitted to Country Team Meeting and for Ops Com approval. The Compliance and Safeguards Division also checks issuance of ESCON and updates the ISTS as applicable.	The Compliance and Safeguards Division	• Satisfactory rating in appropriate section of Readiness Review • Satisfactory compliance check • Updated ISTS
Category 4 Projects	4.1b	The borrower develops an ESMS or improves an existing one (if it has one) and suggest additional / corrective measures.	FI / Borrower	• ESMS
	4.2b	Sector Departments conduct due diligence on FI's existing ESMS and suggest additional or corrective measures.	Sector Departments	• Due diligence information and proposed additional corrective measures
	4.3b	Borrower discloses ESMS or makes available ESMS summary in accordance with in country system.	FI	• Disclose or available ESMS

Applicable project categories	Step number	Responsibility	Output
	4.4b	The Compliance and Safeguards Division engages ESMS compliance check and issues an ESCON to Sector Departments.	Compliance and Safeguards Division <ul style="list-style-type: none">• Cleared ESMS summary• ESCON
	4.5b	Sector Departments insert synopsis of ESMS / due diligence information document into ISTS and attach ESMS summary / due diligence information document to ISTS. They also integrate ESMS summary / due diligence information document into PAR.	Sector Departments <ul style="list-style-type: none">• Updated ISTS• Integration of ESMS summary or due diligence information into PAR
	4.6b	PAR is subject to Readiness Review (for public sector FIs). For both public and private sector FIs, The Compliance and Safeguards Division engages in PAR compliance check and checks issuance of ESCON, prior to PAR being submitted to Country Team meeting and for Ops Com approval as applicable.	Compliance and Safeguards Division <ul style="list-style-type: none">• Satisfactory rating in appropriate section of Readiness Review• Satisfactory compliance check
Project Cycle Phase 5: Loan Negotiations, Board Presentation and Loan Signature			
Category 1, 2 and 4 Projects	5.1	Sector Departments prepare loan conditions and covenants.	Sector Departments <ul style="list-style-type: none">• Draft E&S loan conditions and covenants
	5.2	GECL provides assistance to Sector Departments and reviews loan conditions and covenants using the E&S conditions stated in the ESCON.	GECL and Compliance and Safeguards Division <ul style="list-style-type: none">• Final loan conditions and covenants
	5.3	GECL integrates E&S loan conditions and covenants into the project loan agreements.	Sector Departments and GECL <ul style="list-style-type: none">• Integration of loan conditions and covenants into Project Loan Agreement
	5.4	The borrower enters into loan negotiation with the Bank.	Borrower, Sector Departments and GECL <ul style="list-style-type: none">• Project loan agreements
	5.5	Sector Departments insert summary of loan conditions and covenants into ISTS.	Sector Departments <ul style="list-style-type: none">• Updated ISTS
Project Cycle Phase 6: Project Implementation and Supervision			
Category 1, 2 and 4 Projects	6.1	Sector Departments review Quarterly Implementation Reports, engage in supervision missions, and request borrower to revise ESMP/ESMS (if required) with clearance from the Compliance and Safeguards Division.	Borrower <ul style="list-style-type: none">• ESMP/ESMS implementation information in Quarterly Implementation Reports
	6.2	Sector Departments review Quarterly Implementation Reports, engage in supervision missions, and request borrower to revise ESMP/ESMS (if required) with clearance from the Compliance and Safeguards Division.	Sector Departments, Borrower and the Compliance and Safeguards Division <ul style="list-style-type: none">• E&S information in IPRR
	6.3	In specific circumstances, the Compliance and Safeguards Division initiates full compliance review.	The Compliance and Safeguards Division <ul style="list-style-type: none">• Full Compliance Review Report
	6.4	Sector Departments update ISTS to detail status of supervision missions and ensure that ESMP/ESMS implementation information is contained within Quarterly Implementation Reports. The Compliance and Safeguards Division updates the ISTS after an ESMP/ESMS compliance audit.	Sector Departments and Compliance and Safeguards Div <ul style="list-style-type: none">• Updated ISTS• ESMP/ESMS implementation information in Quarterly Implementation Reports is checked
	6.5	If complaints are received from non-compliance, the Bank's mediation process is triggered through the Office of Compliance and Review Mechanism (CRMU). The Compliance and Safeguards Division prepares the Management Response and updates the ISTS.	Sector Departments, the Compliance and Safeguards Division, and CRMU <ul style="list-style-type: none">• Management responses• Updated ISTS
Project Cycle Phase 7: Project Completion			
Category 1, 2 and 4 Projects	7.1	Sector Departments prepare E&S content of PCR	Sector Departments <ul style="list-style-type: none">• E&S content of PCR
	7.2	Sector Departments insert E&S content of PCR into ISTS and integrate E&S content into PCR	Sector Departments <ul style="list-style-type: none">• Updated ISTS• Integration of E&S content into PCR
	7.3	Compliance and Safeguards Division reviews E&S contain in the PCR	Compliance and Safeguards Div <ul style="list-style-type: none">• E&S contents reviewed
	7.4	IDEV evaluates PCR	IDEV <ul style="list-style-type: none">• PCR Evaluation Report
Project Cycle Phase 8: Post Completion			
Category 1, 2 and 4 Projects	8.1	For selected projects or sector operations, IDEV evaluates environmental and social dimensions of medium-term outcomes and long-term impacts after project completion.	IDEV <ul style="list-style-type: none">• Project Performance Evaluation Report

1 Note: The Sector Departments shall also notify the borrower of the project Category in the case of Category 3 projects.

2 For certain category 1 project, Sector Departments are strongly recommended to share with the Compliance and Safeguards Division the final TOR for ESA



Environmental and social assessment process

13

The remainder of this document sets out how the Bank's ESA requirements shall be implemented. It should be stressed that ESA is primarily the borrower's responsibility. However, at various stages in the Project Cycle, the Sector Departments, the Compliance and Safeguards Division (ORQR.3), the General Counsel and Legal Services Department (GECL) and the Operations Evaluation Department (IDEV) are responsible for assisting the borrower and for ensuring that the Bank's OSs are being applied. Within the Bank, Task Managers are responsible for ensuring compliance with the ESAP, with the support of environmental and social experts.

The following sections outline for each phase of the Project Cycle:

- the principal ESA-related steps;
- who has responsibility for these steps; and
- the specific outputs required.

PROJECT PHASE 1: COUNTRY PROGRAMMING

Purpose: Mainstreaming environmental and social issues in Country Strategy Papers (CSPs) and Regional Integration Strategy Papers (RISPs).

Step 1.1: The Country / Regional Departments, supported by the Sector Departments, shall develop and update CSPs (see Annex 1) and RISPs in a way that mainstreams environmental, social and climate change considerations and that identifies issues of concern to financing priorities. In the case of CSPs, this will involve an assessment of the strength of country systems for environmental, social and climate change policy.

Responsibility: Country / Regional Departments (supported by Sector Departments).

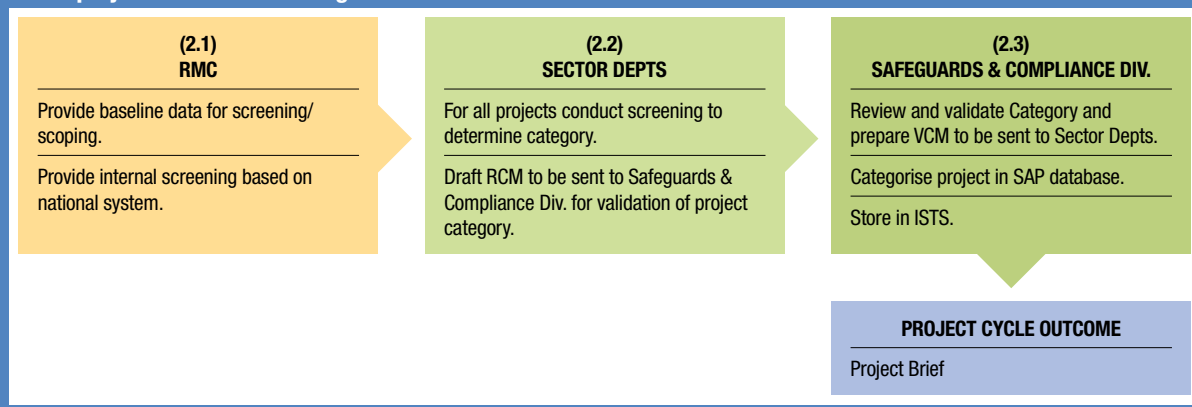
Output: Environmental, social and climate change content in CSPs and RISPs in the ISTS.

PROJECT PHASE 2: PROJECT IDENTIFICATION

Purpose: Screening/scoping of projects to enable categorization and validation of category (RCM and VCM) (see Annex 2, 3 and 4)

Step 2.1: Supported by the Sector Departments, the RMC shall provide baseline data for the initial environmental, climate change and social screening/scoping to the Sector Departments. The RMC shall also provide internal screening/scoping based on the national system of environmental and social screening.

Responsibility: RMC (supported by Sector Departments).

Box 1 Responsibilities of Borrowers, Sector Departments and Safeguards and Compliance Division at the project identification stage


Output: Environmental, climate change and social baseline data; environmental and social project screening/scoping based on the national system.

Step 2.2: The Sector Departments shall conduct initial environmental, climate change and social screening/scoping for all projects, in order to determine the Category that a project will be assigned to– using the Bank’s Environmental and Social Screening Procedure (see Annex 2) and the Bank’s Climate Change Screening Tool. The Sector Departments shall then draft a Request for Categorization Memorandum (RCM) (see Annex 3) assigning the project a Category and requesting the Compliance and Safeguards Division to review and validate the Category.

Responsibility: Sector Departments.

Output: Draft RCM.

Step 2.3: The Safeguards and Compliance Division shall review the Category and revise if necessary. ORQR.3 shall then validate the Category and prepare a Validation of Categorization Memorandum (VCM) to be sent to the Sector Departments (see Annex 4). Finally, the Safeguards and Compliance Division shall categorize the project in the SAP database. The project category shall also be stored in the ISTS.

Responsibility: The Safeguards and Compliance Division.

Output: (a) RCM; (b) VCM; (c) categorization of project in SAP database; and (d) Updated ISTS.

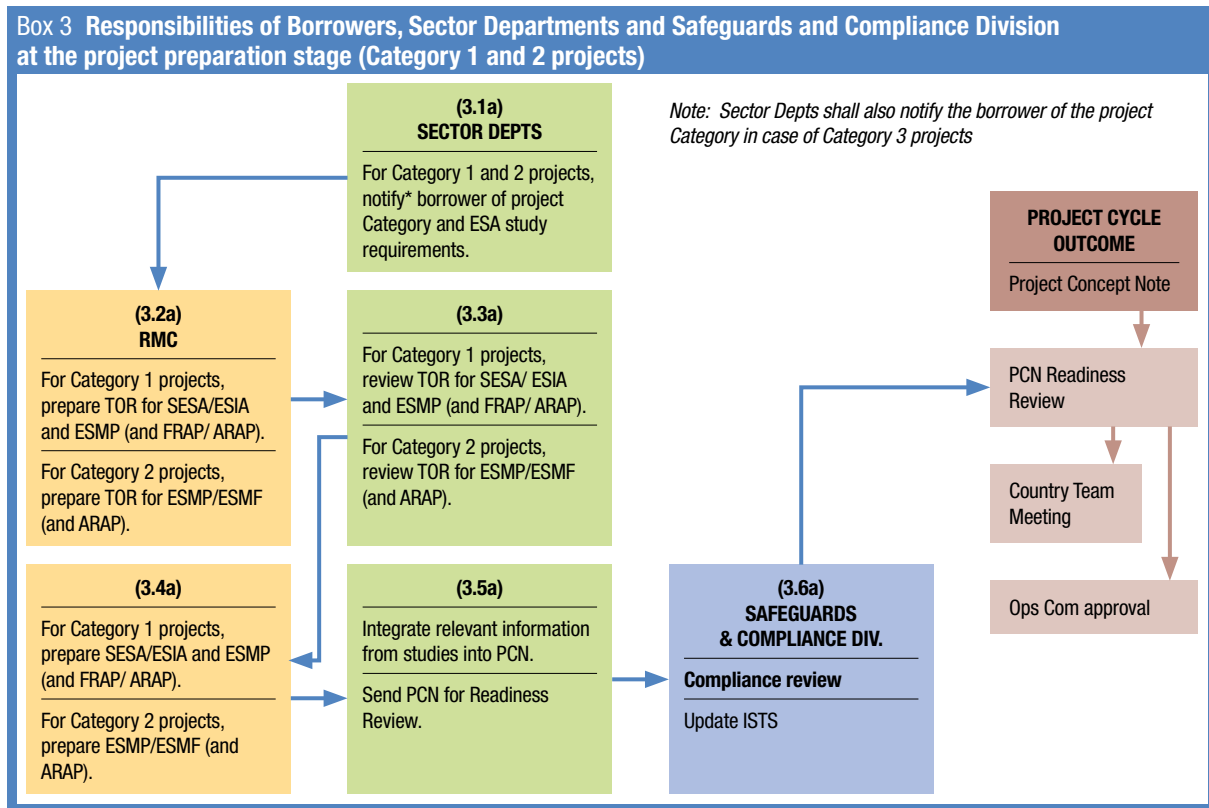
Note: The Sector Departments may request the Safeguards and Compliance Division to reassess a Category later in the Project Cycle if the project’s initial components evolve, or if new environmental or social findings emerge. Any changes to the previous categorization shall be documented and justified in the Project Brief and reflected in the revised VCM and ISTS.

Box 2 Categorization of Bank sponsored private sector operations
Private Sector: Identification (Exploratory Review)

For private sector projects, categorization shall not take place during this project identification phase. Instead, available and relevant environmental, social, and climate change information shall be attached to the Preliminary Evaluation Note (PEN), which makes a recommendation as to whether or not a project shall be accepted for further processing. When the PEN is cleared by the OPSM Divisional Management Team, the project formally enters the Bank’s project pipeline.

PROJECT PHASE 3: PROJECT PREPARATION

Purpose: Drafting of Terms of Reference (TOR) for ESA studies and an Environmental and Social Management Plan (ESMP) (see Annexes 6 to 13).



Step 3.1a: For **Category 1 and 2 projects**, the Sector Departments shall notify¹ the borrower of the project Category and specify the ESA studies that are required for that project Category.

Responsibility: Sector Departments.

Output: Project category notification.

Note: For **Category 1 and 2 projects**, in cases where ESA studies have already been conducted prior to the Bank's involvement in the project, the steps required shall be slightly altered: The Sector Departments shall review existing ESA studies and if it is found that significant environmental or social issues were left out or improperly addressed, or that additional ESA studies are required, the Sector Departments shall propose TORs for additional studies.

Step 3.2a: Prepare the TOR for the Strategic Environmental and Social Assessment (SESA) / Environmental and Social Impact Assessment (ESIA) and ESMP (and where applicable a Full Resettlement Action Plan (FRAP) / Abbreviated Resettlement Action Plan (ARAP)). To achieve this, the borrower may request technical assistance from the Sector Departments. Affected communities (including vulnerable groups) and other stakeholders shall be meaningfully consulted about the TOR

¹ Note: The Sector Departments shall also notify the borrower of the project Category in the case of **Category 3** projects.

for the SESA / ESIA and ESMP (and where applicable the FRAP / ARAP). For **Category 2** projects, the borrower shall prepare the TOR for the ESMP/ESMF (and where applicable an ARAP). To achieve this, the borrower may request technical assistance from the Sector Departments.

Responsibility: Borrower.

Output: Draft TOR for SESA / ESIA and ESMP (and FRAP / ARAP) for Category 1 projects; and (b) draft TOR for ESMP/ESMF (and ARAP) for Category 2 projects.

Note: The Sector Departments may request² financing for ESA studies from the Project Preparation Facility, bilateral funds or technical assistance funds to help build borrowers' institutional and human capacity and/or finance the ESA studies required.

Step 3.3a: For **Category 1** projects, the Sector Departments shall review the TOR for the SESA / ESIA and ESMP (and where applicable the FRAP / ARAP)³. For **Category 2** projects, the Sector Departments shall review the TOR for the ESMP/ESMF (and where applicable the ARAP).

Responsibility: Sector Departments.

Output: a) comments on the TOR for SESA / ESIA and ESMP (and FRAP / ARAP) for Category 1 projects; and (b) comments on the TOR for ESMP/ESMF (and ARAP) for Category 2 projects.

Step 3.4a: For Category 1 projects, the borrower shall begin to prepare the SESA / ESIA and ESMP (see Annex 7) (and where applicable the FRAP / ARAP (see Annex 13)) and should engage independent environmental and social specialists to carry out the SESA / ESIA and ESMP (and where applicable the FRAP / ARAP) work. The borrower may request project preparation financing assistance from the Bank in order to engage the necessary specialists. The assessment work must be completed in accordance with the Bank's OSs, the agreed-upon TOR and country regulations and guidelines. Affected communities (including vulnerable groups) and other stakeholders shall be meaningfully consulted during the preparation of the SESA / ESIA and ESMP (and where applicable the FRAP / ARAP). The borrower shall follow and monitor the SESA / ESIA and ESMP (and where applicable the FRAP / ARAP) progress closely, particularly when consultants are involved. For Category 2 projects, the borrower shall begin to prepare the ESMP (see Annex 10) (and where applicable the ARAP). As in the case of the SESA / ESIA process, the borrower should engage independent environmental and social specialists to carry out the ESMP (and where applicable the ARAP) work, may request project preparation financing assistance and shall follow and monitor the ESMP/ESMF (and where applicable the ARAP) progress closely. Again in line with the SESA / ESIA process, the assessment work must be completed in accordance with the Bank's OSs, the agreed-upon TOR and country regulations and guidelines. Affected communities (including vulnerable groups) and other stakeholders shall be meaningfully consulted during the preparation of the ESMP/ESMF and (where applicable the ARAP).

Responsibility: Borrower (supported by Sector Departments, where applicable).

Output: (a) Initial work to prepare draft SESA / draft ESIA and draft ESMP (and where applicable draft FRAP / ARAP) for Category 1 projects; (b) initial work to prepare draft ESMP (and where applicable draft ARAP) for Category 2 projects, and Updated ISTS; and (c) Updated ISTS.

² It must be noted that the provision of financing is not guaranteed.

³ For certain category 1 project, Sector Departments are strongly recommended to share with the Compliance and Safeguards Division the final TOR for ESA

⁴ Program operations shall require the borrower to prepare an ESMF (see Annex 9) rather than an ESMP.

Step 3.5a: For **Category 1 and 2** projects, the Sector Departments shall integrate relevant information from the TOR for the ESA studies into the Project Concept Note (PCN) (see Annex 5).

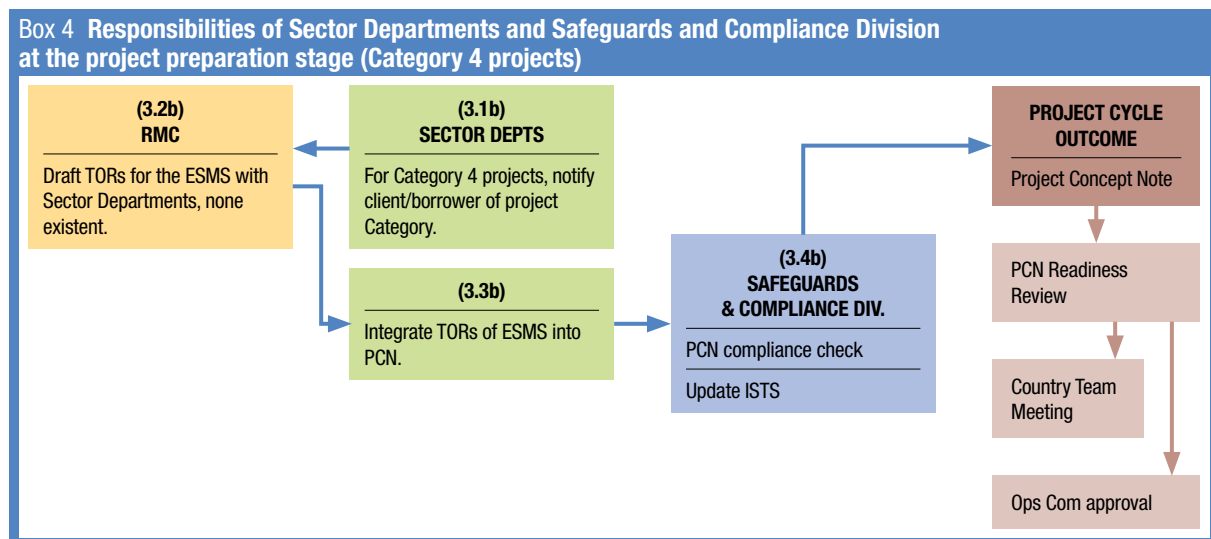
Responsibility: Sector Departments.

Output: integration of relevant information from TOR for ESA studies into PCN.

Step 3.6a: For public sector Category 1 and 2 projects, the PCN shall be subject to Readiness Review. At this point Safeguards and Compliance Division shall engage in a compliance check of the PCN (see Annex 14) being submitted to the Country Team meeting prior to OpsCom approval as applicable.

Responsibility: Safeguards and Compliance Division

Output: (a) Satisfactory rating in appropriate section of Readiness Review/satisfactory compliance check; (b) Updated ISTS.



Step 3.1b: For **Category 4** projects, the Sector Departments shall notify the client (borrower) of the project Category.

Responsibility: Sector Departments.

Output: Notification of project category to client / borrower.

Step 3.2b: For **Category 4** projects, the client / borrower shall develop the TORs for an Environmental and Social Management System (ESMS) with Sector Departments and/ or consultants if it does not already have an ESMS (see Annex 12) that is in compliance with the Bank's OSs and appropriate for the scale and nature of its operations. This must be developed prior to Board approval. The existing ESMS should indicate the scope of the due diligence and relevant in country system that is required or the work needed to develop a new one.

Responsibility: RMC/ client or Borrower, with Sector Departments/ consultants.

Output: (a) ESMS or TOR for ESMS.

Step 3.3b: For public sector **Category 4** projects, the Sector Departments shall integrate the TORs of the ESMS or the existing ESMS into the PCN.

Responsibility: Sector Departments.

Output: Integration of TORs of ESMS or existing ESMS into PCN.

Step 3.4b: For public sector **Category 4** projects, the PCN shall be subject to Readiness Review. At this point, ORQR.3 shall engage in a compliance check (for public sector FIs), prior to the PCN being submitted to the Country Team Meeting and for Ops Com approval.

Responsibility: ORQR.3.

Output: a) Satisfactory rating in appropriate section of Readiness Review / satisfactory compliance check and b) Updated ISTS.

Box 5 Concept review of Bank sponsored private sector operations

Private Sector: Preparation (Concept Review)

For private sector projects, categorization shall take place during this project preparation phase. The categorization process described for public sector projects shall also be followed for private sector projects. The Sector Departments¹ shall conduct initial environmental, climate change and social screening/scoping in order to determine the ESA Category that a project will be assigned. The Sector Departments shall then draft a Request for Categorization Memorandum (RCM) assigning the project a Category and requesting the Safeguards & Compliance Division to review and validate the Category. Safeguards & Compliance Division shall review the Category and revise if necessary. Safeguards & Compliance Division shall then validate the Category and prepare a Validation of Categorization Memorandum (VCM) to be sent to the Sector Departments. Next, Safeguards & Compliance Division shall categorize the project in the SAP database and insert information contained in the VCM into the ISTS. Finally, the Sector Departments shall integrate the VCM into the Project Brief.

The steps required for public sector projects during the project preparation phase shall also be followed for private sector projects. However, for private sector projects, the PCN is not subject to Readiness Review and Safeguards & Compliance Division does not engage in a compliance check. Instead the project team including ADOA team and Safeguards & Compliance Division engage in information exchange (RCM and VCM) to ensure compliance at this.

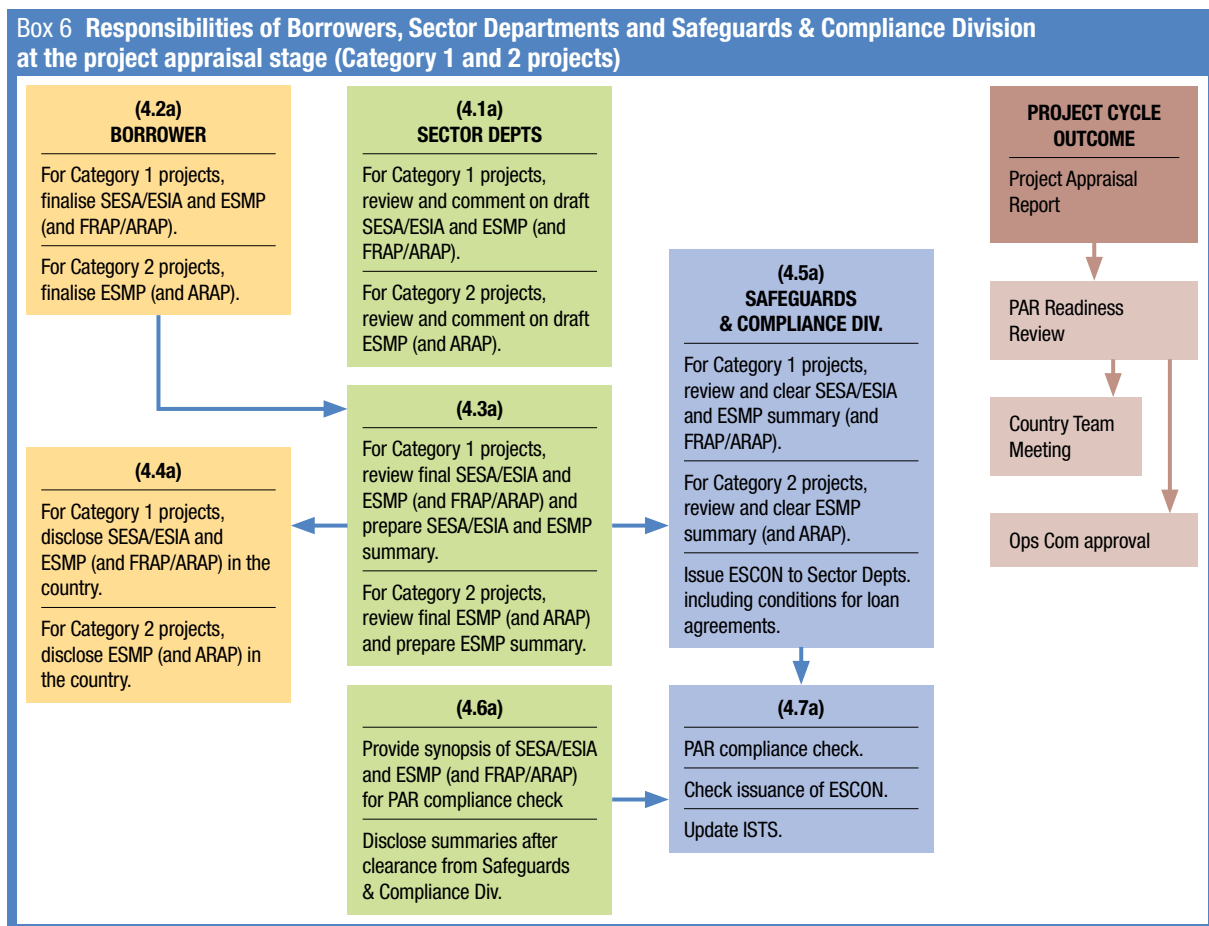
Moreover, the steps required for private sector projects in instances of co-financing are as follows:

- When the Bank participates in transactions led by other Development Financial Institutions (DFIs) or financial partners, it will perform additional due diligence only to the extent necessary to complete the environmental and social assessment to meet its own safeguards. Accordingly, the Sector Departments shall review existing ESA studies and if it is found that further work is required to meet its own safeguards, the Sector Departments shall capture this in the RCM and shall propose TOR for additional studies.
- When the Bank is itself leading the transaction, it will ensure that the performance of its environmental and social due diligence meets the safeguard requirements of the other participants in addition to its own. Accordingly, the Sector Departments shall extract relevant information in the RCM to give to the borrower which captures the extent of the ESA studies necessary to cover both the requirements of the other participating DFIs or financial partners and the requirements of its own safeguards.

¹ The environmental and social experts who work on private sector projects come from a separate department.

PROJECT PHASE 4: PROJECT APPRAISAL

Purpose: Reviewing and approving ESA studies and ESMP, resulting in finalized ESA and ESMP summaries



Step 4.1a: For **Category 1** projects, once the draft SESA / ESIA and ESMP (and where applicable the draft FRAP / ARAP) have been prepared, the Sector Departments shall review⁵ them and should undertake a site visit if necessary. The Sector Departments shall then provide comments to the borrower. The project's compliance with country legislation and requirements related to environmental certification should also be verified at this point. For **Category 2** projects, once the draft ESMP (and where applicable the draft ARAP) have been prepared, the Sector Departments shall review them and should undertake a site visit if necessary. The Sector Departments shall then provide comments to the borrower. The project's compliance with country legislation and requirements related to environmental certification should also be verified at this point.

Responsibility: Sector Departments.

Output: (a) Comments on ESA studies; and (b) comments on ESMP.

Note: If a site visit results in changes to the Project's scope or to the ESA studies required, revise project category as appropriate through an updated VCM and reflect these changes in the ISTS.

⁵ This review shall occur before the project appraisal mission is launched.

4.2a: For **Category 1** projects, the borrower shall finalize the SESA / ESIA and ESMP (and where applicable the FRAP / ARAP) by taking into account the comments provided by Sector Department. For **Category 2** projects, the borrower shall finalize the ESMP (and where applicable the ARAP) by taking into account the comments provided by Sector Department.

Responsibility: Borrower.

Output: (a) Final ESA studies; and (b) final ESMP.

Step 4.3a: For **Category 1** projects, the Sector Departments shall review the final SESA / ESIA, ESMP (and where applicable the final FRAP / ARAP, CDP and ICDP) and shall prepare an SESA / ESIA and ESMP summary. The Sector Department shall submit the summary and the main ESA documents to the Safeguards & Compliance Division for clearance through a request for review and clearance of ESA Studies Memorandum (see Annex 15). For **Category 2** projects, the Sector Departments shall review the final ESMP (and where applicable the final ARAP, ESMF, CDP and ICDP) and shall prepare an ESMP summary. The Sector Department shall submit the summary and the main ESA documents to the Safeguards & Compliance Division for clearance through a request for review and clearance of ESA Studies Memorandum (see Annex 15).

Responsibility: Sector Departments.

Output: (a) SESA / ESIA and ESMP summary for Category 1 projects (and FRAP where applicable) ; and (b) ESMP summary for Category 2 projects (and ARAP, ESMF, CDP and ICDP where applicable).

Step 4.4a: For **Category 1** projects, the SESA / ESIA and ESMP (and where applicable the FRAP / ARAP⁶) shall be disclosed in the borrowing in line with the country system. For **Category 2** projects, the ESMP (and where applicable the ARAP⁷) shall be disclosed in the borrowing country in line with the country system.

Responsibility: Borrower (for disclosure in the borrowing country).

Output: (a) Disclosure of ESA studies; and (b) where applicable, disclosure of FRAP / ARAP.

Step 4.5a: For **Category 1** projects, the Safeguards & Compliance Division shall review and clear the SESA / ESIA and ESMP (and where applicable the FRAP / ARAP). For **Category 2** projects, the Safeguards & Compliance Division shall review and clear the ESMP summary (and where applicable the ARAP). The clearance will be provided through a clearance of ESA studies memorandum (see Annexes 16 to 20 depending on the category assigned and the nature of the assessment studies undertaken). At this stage the Safeguards & Compliance Division will issue an ESCON with comments, to Sector Departments including conditions for loan agreements.

Responsibility: Safeguards & Compliance Division.

Output: (a) Cleared summaries and where applicable FRAP / ARAP; (b) Issued ESCON.

⁶ The FRAP / ARAP should be disclosed at the same time as the SESA / ESIA and ESMP summary.

⁷ The ARAP should be disclosed at the same time as the ESMP summary.

Step 4.6a: For **Category 1** projects, the Sector Departments shall respond to comments on the contents of ESA studies provided by the Safeguards & Compliance Division and make corrections to the documents as appropriate. Sector Departments shall also provide a synopsis of the SESA / ESIA and ESMP (and also a synopsis of the FRAP / ARAP where applicable). The Sector Departments shall then integrate the SESA / ESIA and ESMP summary (and where applicable relevant information from the FRAP / ARAP) into the Project Appraisal Report (PAR) (see Annex 22). The Sector Departments shall also ensure that components of the ESMP are included in the PAR log frame and in the project costing. The Sector Department shall disclose the cleared SESA / ESIA and ESMP summaries (and where applicable FRAP / ARAP) through the Bank's website (Public Information Center) and field offices at least 120 days (for public sector projects) prior to presentation to the Board.

For **Category 2** projects, the Sector Departments shall respond to comments on the contents of ESMP (or ARAP where applicable) provided by the Safeguards & Compliance Division and make corrections to the documents as appropriate. The Sector Departments shall also provide a synopsis of the ESMP (and also a synopsis of the ARAP where applicable). The Sector Departments shall then integrate the ESMP summary (and where applicable relevant information from the ARAP) into the PAR. The Sector Departments shall also ensure that components of the ESMP are included in the PAR log frame and in the project costing. The Sector Department shall disclose the cleared ESMP summary (and where applicable ARAP) through the Bank's website (Public Information Center) and field offices at least 30 days prior to presentation to the Board.

Responsibility: Sector Departments.

Output: (a) Updated ISTS; (b) integration of SESA / ESIA and ESMP summary (and relevant information from FRAP / ARAP) into PAR for Category 1 projects; (c) integration of ESMP summary (and relevant information from ARAP) into PAR for Category 2 projects; and (d) integration of ESMP components in PAR log frame and in project costing.

Step 4.7a: For public sector **Category 1 and 2** projects, the PAR shall be subject to Readiness Review (see Annex 21). At this point, the Safeguards & Compliance Division shall engage in a compliance check (for both public and private sector projects), prior to the PAR being submitted to the Country Team Meeting and for OpsCom approval as applicable. At this stage the Safeguards and Compliance Division shall update the ISTS.

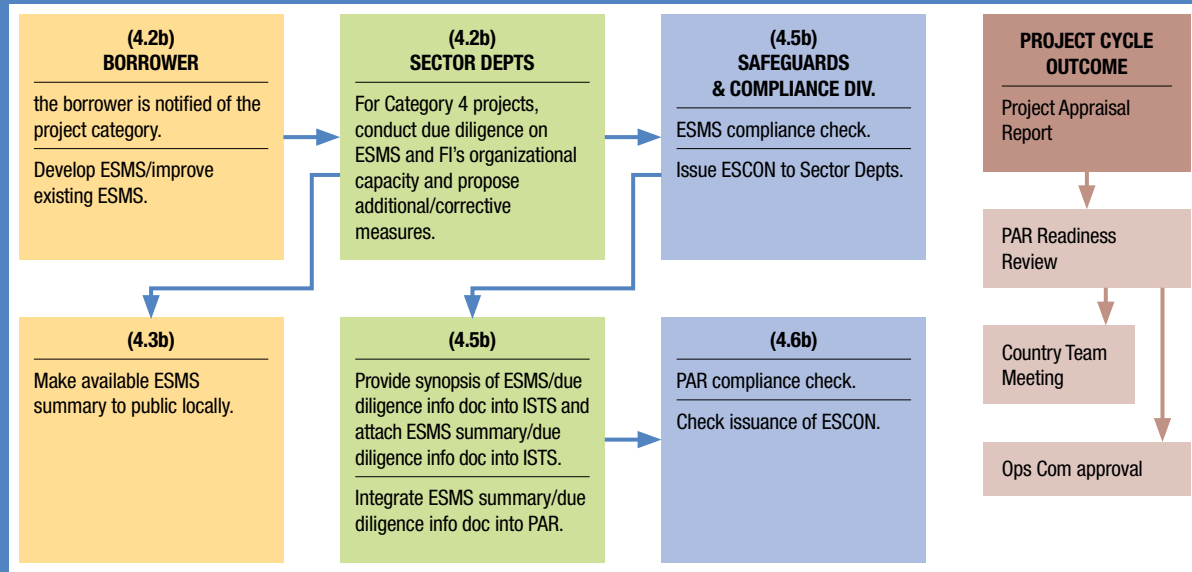
Responsibility: Safeguards & Compliance Division.

Output: Satisfactory rating in appropriate section of Readiness Review / satisfactory compliance check.

Step 4.1b: The borrower is notified of the project's category. The FI shall either develop an ESMS (if it does not already have one) or improve its existing ESMS, and ensure that this ESMS is in full compliance with the Bank's ISS, as well as being appropriate for the scale and nature of the FI's operations. The FI must also be able to demonstrate that it has the organizational capacity, resources and expertise to implement its ESMS for its sub-projects.

Responsibility: FI.

Output: a) Project category notification, b) ESMS.

Box 7 Responsibilities of Borrowers, Sector Departments and Safeguards and Compliance Division at the project appraisal stage (Category 4 projects)


Step 4.2b: The Sector Departments shall conduct due diligence on the FI's existing ESMS (if it has one) and suggest any additional measures and corrections that shall be put in place to ensure full compliance with the Bank's ISS. The Sector Departments shall prepare an ESMS summary if the ESMS has been completed by this point, or alternatively, the Sector Departments shall prepare a document that provides due diligence information on ESMS development and additional / corrective measures that will be undertaken to ensure ESMS compliance.

Responsibility: Sector Departments.

Output: Due diligence information and additional / corrective measures to ensure ESMS compliance.

Step 4.3b: For **Category 4** projects, the FI shall make available a summary of the ESMS in accordance with the in-country system to the public locally.

Responsibility: FI.

Output: ESMS summary locally available to public.

Step 4.4b: The Safeguards and Compliance Division shall review the ESMS (Annex 19) to ascertain its compliance with the Bank's ISS. At this point the ESMS is also cleared for disclosure to the public, in addition an ESCON will be issued to the Sector Departments.

Responsibility: Safeguards and Compliance Division.

Output: (a) Cleared ESMS summary; (b) ESCON.

Step 4.5b: The Sector Departments shall insert a synopsis of the ESMS / due diligence information document into the ISTS and shall attach the ESMS summary / due diligence information document to the ISTS. The Sector Departments shall then integrate the ESMS summary / due diligence information document into the PAR.

Responsibility: Sector Departments.

Output: (a) Updated ISTS; and (b) integration of ESMS summary / due diligence information document into PAR.

Step 4.6b: For public sector projects, the PAR shall be subject to Readiness Review (Annex 21). At this point, the Safeguards and Compliance Division shall engage in a PAR compliance check and issuance of ESCON (for both public and private sector FIs), prior to the PAR being submitted to the Country Team Meeting and for Ops Com approval.

Responsibility: Safeguards and Compliance Division.

Output: Satisfactory rating in appropriate section of Readiness Review / satisfactory compliance check.

Box 8 Appraisal of Bank sponsored private sector operations

Private Sector: Appraisal (Final Review)

The steps required for public sector projects during this project appraisal phase (including the PAR compliance check by Safeguards & Compliance Division) shall also be followed for private sector projects. However, for private sector projects, the PAR is not subject to Readiness Review. Moreover, the disclosure requirements for private sector **Category 1** projects are different: The SESA / ESIA and ESMP summary (and where applicable the FRAP / ARAP) shall be disclosed to the public in the borrowing country, through the PIC, field offices and the Bank's website at least 60 days (rather than 120 days) prior to presentation to the Board.

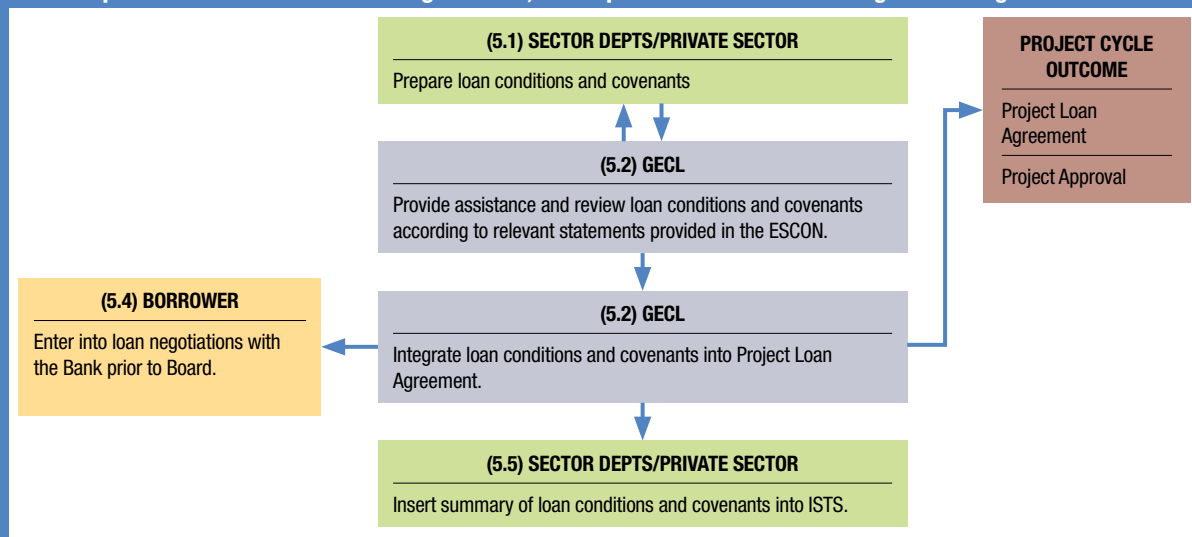
PROJECT PHASE 5: LOAN NEGOTIATIONS, BOARD PRESENTATION AND LOAN SIGNATURE

Purpose: Stipulating environmental and social loan conditions and covenants.

Step 5.1: The Sector Departments / Private Sector Department shall prepare loan conditions and covenants to cover any outstanding environmental and social concerns that need to be satisfied prior to or after project approval. It is important to note that environmental and social loan conditions and covenants should be kept to a minimum. The majority of environmental and social issues should have been resolved prior to this Project Cycle phase.

Responsibility: Sector Departments / Private Sector Department.

Output: Draft environmental and social loan conditions and covenants.

Box 9 Responsibilities of the Legal, Sector Departments / Private Sector Department, and Safeguards and Compliance Division at the loan negotiations, board presentations and loan signature stage


Step 5.2: GECL shall provide assistance to the Sector Departments / Private Sector Department and review environmental and social loan conditions and covenants. This will be done using the ESCON issued by the Safeguards and Compliance Division. GECL shall ensure that the ESMP is incorporated in the loan documents signed between the Bank and the borrower.

Responsibility: GECL and the Safeguards and Compliance Division.

Output: Final environmental and social loan conditions and covenants.

Step 5.3: GECL shall integrate the environmental and social loan conditions and covenants into the Project Loan Agreement.

Responsibility: Sector Departments / Private Sector Department / GECL.

Output: Integration of environmental and social loan conditions and covenants into Project Loan Agreement.

Step 5.4: The Borrower shall enter into loan negotiation with the Bank prior to Board approval of the project.

Responsibility: Borrower / Sector Departments / Private Sector Department / GECL.

Output: Project Loan Agreements.

Step 5.5: The Sector Departments / Private Sector Department shall insert a summary of the environmental and social loan conditions and covenants into the ISTS.

Responsibility: Sector Departments / Private Sector Department.

Output: Updated ISTS.

Box 10 Loan negotiation of Bank sponsored private sector operations

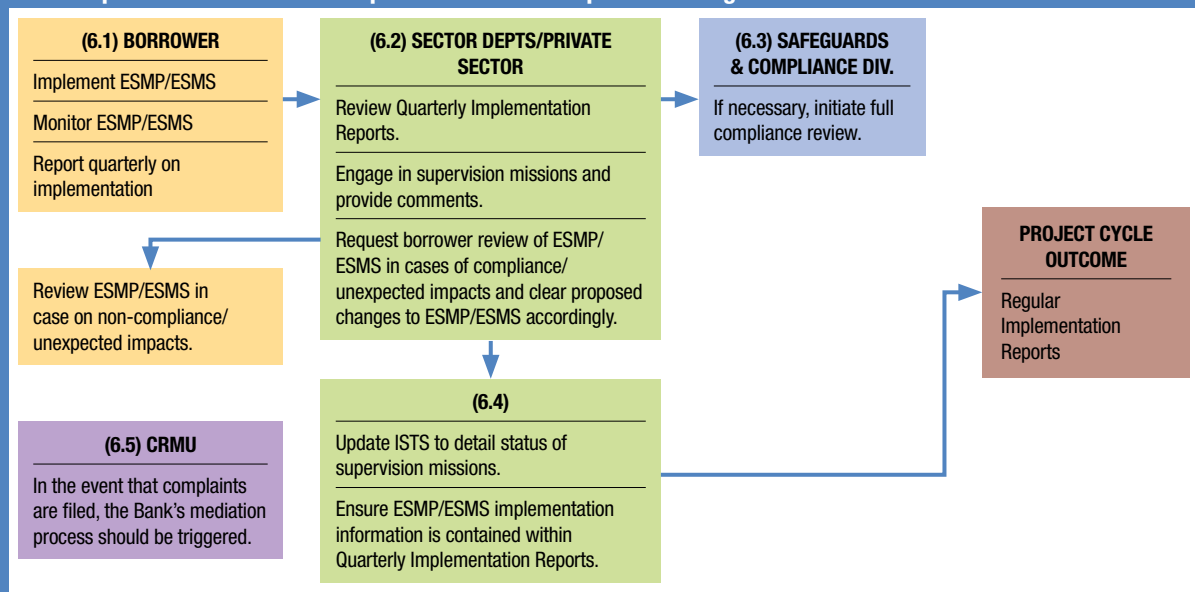
Private Sector: Loan Negotiation (Negotiation and Documentation/Closing and First Disbursement)

The steps required for public sector projects during this loan negotiations phase shall also be followed for private sector projects.

PROJECT PHASE 6: PROJECT IMPLEMENTATION AND SUPERVISION

Purpose: Monitoring, reporting and auditing environmental and social compliance.

Box 11 Responsibilities of Borrowers, Sector Departments / Private Sector Department and Safeguards and Compliance Division at the implementation and supervision stage



Step 6.1: The borrower is responsible for the implementation of the ESMP / ESMS and shall diligently monitor it by: i) ensuring that the indicators identified in the project implementation documents are respected; ii) ensuring compliance with the Bank's ISS; iii) ensuring adherence to the environmental and social covenants of the financing agreement. The borrower shall then report to the Sector Departments / Private Sector Department on the implementation of the ESMP / ESMS, as part of the Quarterly Implementation Reports that it submits to the Bank. These reports shall clearly identify the results achieved in implementing the ESMP and key management and monitoring tasks.

Responsibility: Borrower.

Output: ESMP / ESMS implementation information in Quarterly Implementation Reports.

Step 6.2: The Sector Departments / Private Sector Department shall review the Quarterly Implementation Reports and engage in supervision missions, through which they shall assess and report on ESMP / ESMS implementation. Whenever non-compliance is observed or unexpected impacts arise, the Sector Departments shall request the borrower to review the ESMP / ESMS in collaboration with relevant stakeholders, as appropriate. Changes to the ESMP / ESMS must be cleared by the Sector Departments / Private Sector Department and the Safeguards and Compliance Division before being implemented.

Responsibility: Sector Departments / Private Sector Department and the Safeguards and Compliance Division (for supervising and verifying compliance) and the borrower (for reviewing and amending ESMP / ESMS where necessary).

Output: Environmental and social information in Implementation Progress and Results Report (IPRR) (see Annex 23).

Step 6.3: In specific circumstances, the Safeguards and Compliance Division shall initiate a full compliance review (see Annex 24). These full compliance reviews should also be used as a means to assess the performance of the Bank's safeguards compliance system.

Responsibility: The Safeguards and Compliance Division.

Output: Full Compliance Review Report.

Step 6.4: The Sector Departments / Private Sector Department shall update the ISTS to detail the status of supervision missions. Finally, the Sector Departments / Private Sector Department shall ensure that ESMP / ESMS implementation information is contained within the Quarterly Implementation Reports. The Safeguards and Compliance Division shall also update the ISTS after undertaking an ESMP / ESMS compliance audit.

Responsibility: Sector Departments / Private Sector Department and the Safeguards and Compliance Division.

Output: (a) Updated ISTS; and (b) ESMP / ESMS implementation information in Regularly Implementation Reports is checked.

Step 6.5: In the event that complaints are filed by two or more people for non-compliance by the Bank of its policies, procedures and guidelines, then the Bank's mediation process shall be triggered by Compliance Revue and Mediation Unit (CRMU). The Sector Departments / Private Sector Department and the Safeguards and Compliance Division shall prepare the Management responses and updates the ISTS.

Responsibility: Sector Departments / Private Sector Department, the Safeguards and Compliance Division, CRMU.

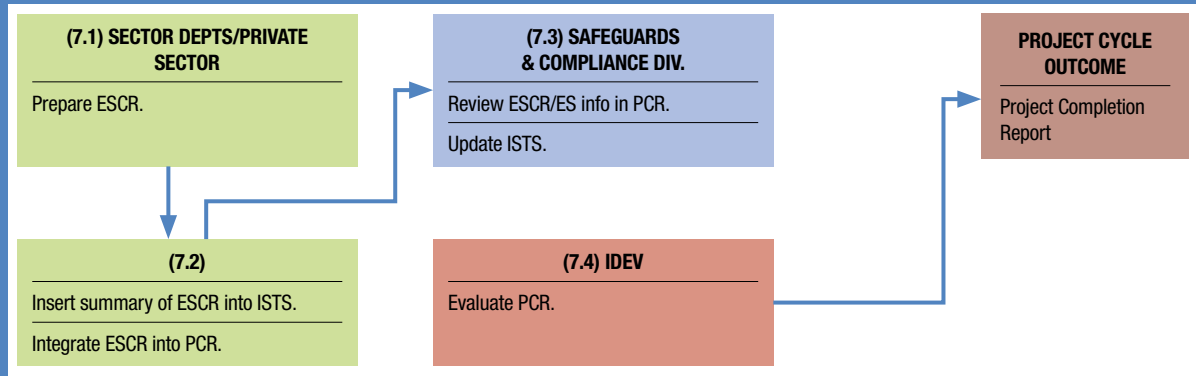
Output: a) Management Response, and b) Updated ISTS.

Box 12 Implementation and supervision of Bank sponsored private sector operations**Private Sector: Implementation (Monitoring and Supervision)**

The steps required for public sector projects during this project implementation and supervision phase shall also be followed for private sector projects.

PROJECT PHASE 7: PROJECT COMPLETION

Purpose: Auditing compliance at completion

Box 13 Responsibilities of Sector Departments / Private Sector Department and Safeguards and Compliance Division at the completion stage

Step 7.1: The Sector Departments / Private Sector Department shall prepare an Environmental and Social Completion Report (ESCR) (see Annex 25). The ESCR for Category 1 and 2 projects must include the projects E&S results matrix.

Responsibility: Sector Departments / Private Sector Department.

Output: ESCR.

Step 7.2: The Sector Departments / Private Sector Department shall insert a summary of the ESCR into the ISTS. The Sector Departments / Private Sector Department shall then integrate the ESCR into the Project Completion Report (PCR).

Responsibility: Sector Departments / Private Sector Department.

Output: (a) Updated ISTS; and (b) integration of ESCR into PCR.

Step 7.3: Safeguards and Compliance Division shall review E & S content in the PCR / the ESCR.

Responsibility: Safeguards and Compliance Division.

Output: E and S content reviewed.

Step 7.4: IDEV shall evaluate the PCR.

Responsibility: IDEV.

Output: PCR Evaluation Report.

Box 14 Completion of Bank sponsored private sector operations

Private Sector: Completion

The steps required for public sector projects during this project completion phase shall also be followed for private sector projects.

PROJECT PHASE 8: **POST COMPLETION**

Purpose: Evaluating post completion

Step 8.1: For selected projects or sector operations, IDEV shall evaluate the environmental and social dimensions of medium-term outcomes and long-term impacts after project completion.

Responsibility: IDEV.

Output: Project Performance Evaluation Report. ■

Integrated Safeguards Tracking System

The Integrated Safeguards Tracking System (ISTS) constitutes an integral part of the ESAP. The ISTS's basic purpose is to facilitate the verification of project compliance with the requirements set out in the Oss of the Integrated Safeguards Systems, over the course of the Project Cycle. More specifically, the ISTS has a number of key functions:

Repository function: The ISTS acts as a repository for key ESA information generated over the lifetime of the project. At each stage of the Project Cycle, fundamental environmental and social information relevant to that stage shall be inserted into the ISTS such that, over the project lifetime, the required information is

Table 3 Summary of the ISTS

Project cycle phase	Required project documentation	Project cycle outcomes
Phase 1: Country Programming	• Mainstream environmental, social and climate change considerations	→ ISTS
	• Environmental, social and climate change content	→ CSP/RISP
Phase 2: Project Identification	• RCM (and summary of PEN info for private sector operations)	→ ISTS
	• VCM	→ Project Brief
Phase 3: Project Preparation	• Project notification	→ ISTS
	• TOR for ESA studies (SESA, ESIA, CDP, ICDP, FRAP, ARAP, ESMS) and ESMP/ESMF	→ PCN
Phase 4: Project Appraisal	• Request for review and clearance of ESA studies memorandum • Clearance of ESA studies memorandum • Synopsis of ESA studies/due diligence info doc • Attached: ESA studies summaries/due diligence info doc	→ ISTS
	• Summaries of ESA studies/due diligence info doc • ESMP components in PAR log frame and project costings • ESCON issued	→ PAR
Phase 5: Loan Negotiations	• Summary of loan conditions and covenants • Integrate E&S issues raised in the ESCON into loan conditions and covenants	→ ISTS
	• Loan conditions and covenants	→ Project Loan Agreement
Phase 6: Project Implementation and Supervision	• Status of supervision missions and quarterly implementation reports	→ ISTS
	• Ensure inclusion of ESMP implementation information	→ Quarterly Implementation Reports
Phase 7: Project Completion	• Summary of ESCR	→ ISTS
	• ESCR in PCR	→ PCR

compiled into one document, to be used to facilitate periodic compliance checks.

- **Tracking function:** The ISTS is linked to the Bank's project management / SAP database system and is thus used to directly monitor project progress. The ISTS is used to ensure that a project can only advance from the Project Identification Phase to the Project Appraisal Phase once the relevant OS / ESAP requirements have been adequately fulfilled. The ISTS is also used to ensure that a project can only be submitted to the Board once the relevant OS / ESAP requirements have

been adequately fulfilled through issuance of an ESCON by the Safeguards and Compliance Division.

- **Access to information function:** The ISTS provides a mechanism through which ESA information can be accessed by the public. The ISTS is made available at the point at which the Project Concept Note (PCN) is approved by Ops Com. The ISTS contains links to the summaries of the ESA studies. It also provides the mechanism through which members of the public can request complete versions of all ESA studies, if required. ■



Annexes

Environmental and Social
Assessment Procedures
(ESAP)

ANNEXES

Annex 1	Environmental and social content in Country Strategy Paper and Regional Integration Strategy Paper	33
Annex 2	Environmental and Social Screening: Categorisation	35
Annex 3	Format of Request for Categorisation Memorandum	43
Annex 4	Format of validation of Categorisation Memorandum	44
Annex 5	Environmental and social content in Project Concept Note	45
Annex 6	Description of instruments: Environmental and Social Assessment (ESA) studies	46
Annex 7	Format of reports: SESA/ESMP AND ESIA/ESMP	49
Annex 8	Typical contents of an Environmental and Social Impact Assessment Summary	55
Annex 9	Format of report: Environmental and Social Management Framework	58
Annex 10	Format of report: Environmental and Social Management Plan	61
Annex 11	Environmental and Social Management Plan (ESMP) Summary	66
Annex 12	Format of report: Environmental and Social Management System (ESMS)	67
Annex 13	Format of report: Full Resettlement Action Plan/Abbreviated Resettlement Action Plan	70
Annex 14	Project Concept Note Readiness-Review	74
Annex 15	Request for review and clearance of ESA studies memorandum	75
Annex 16	Clearance of ESA Studies Memorandum – Review of SESA/ESIA documents	76
Annex 17	Clearance of ESA Studies Memorandum – Review of ESMP document	78
Annex 18	Clearance of ESA Studies Memorandum – Review of ESMF document	80
Annex 19	Clearance of ESA Studies Memorandum – Review of ESMS document for FI (Category 4)	81
Annex 20	Clearance of ESA Studies Memorandum – Review of FRAP/ARAP document	82
Annex 21	Project Appraisal Report (PAR) Readiness-Review	84
Annex 22	Environmental and social content in Project Appraisal Report	85
Annex 23	Environmental and social content in Implementation Progress and Results Report	87
Annex 24	Format of report: Safeguards Compliance Review Report	88
Annex 25	Format of report: Environmental and social content in Project Completion Report	90

ANNEX 1 — ENVIRONMENTAL AND SOCIAL CONTENT IN COUNTRY STRATEGY PAPER AND REGIONAL INTEGRATION STRATEGY PAPER

Mainstreaming environmental and social issues into the Bank's CSPs / RISPs should focus on the following:

Country Context and Prospects

Social Context: Description of the country's / regional's socio-economic and cultural profile, identifying any key issues relating to disadvantaged or vulnerable groups in the population. Identification of issues relating to conflict, migration, employment and livelihoods.

Environment and Climate Change: Description of key environmental resources, current trends in the natural resource base and the importance of the economy and country / regional systems for environmental policy and management. Current assessment of vulnerability to climate change and priority adaptation needs.

Bank Group Strategy for the Country / Regional Integration

Potential Risks and Mitigation Measures: Systematic assessment of key country / regional strategy components in terms of dependence on the natural resource base and environmental quality and also potential environmental and social risks and impacts associated with their implementation.

Identification of policy and management measures needed to ensure sustainability of key development priorities and to avoid or minimize risks and impacts.

Assessment of country / regional systems for managing environmental and social risks, including national environmental and social safeguards systems.

Checklist to Guide Mainstreaming

- Does the CSP / RISP adequately address the contribution of environmental issues to poverty reduction and economic growth?
- How well are environmental concerns, from global and national to local level, incorporated into the CSP / RISP analysis and structure? What links, if any, are made between environmental issues and other sectoral objectives?

Linkages / Impacts

- How much do the country's / region's main natural resource sectors contribute to economic growth and are there opportunities for them to be better utilized to enhance pro-poor growth?
- Are the country's / region's growth targets vulnerable to environment-related shocks? What needs to be carried out to improve the situation?
- What are the levels of dependence of the poor on environmental goods and services? How much employment or income-earning opportunities do natural resources provide, particularly to the poorest?
- Is there recognition of the effects of environmental hazards on health, livelihoods and vulnerability?
- Are the issues of governance (including those related to illegal resource use and corruption) within the natural resource sectors openly debated? How are they being tackled?

Institutional / Implementation

- Are financial resources sufficient to implement the activities identified as needed to ensure sustainability, including law enforcement? Have the needed resources been channeled down to regional and local levels?
- Is co-ordination across government / (s) in case of regional strategy sufficient to deliver on the cross-cutting environmental and natural resource issues over time?

ANNEX 2 — ENVIRONMENTAL AND SOCIAL SCREENING: CATEGORISATION

As part of the ISS, all Bank operations (both public and private sector) are categorized in one of the four categories set out in OS 1 and in the ESAP, using the Initial Environmental and Social Screening checklist presented at the end of this Annex. The Category determines the type and scale of environmental and social assessment that needs to be undertaken and this should be in line with the specific OS triggered by the proposed project.

The term “project” in this note refers to all types of Bank lending and other financial operations managed by the Bank. The use of the screening checklist needs to be adapted to the different nature of lending for Program-Based Operations, sector program loans, corporate loans, investment plans, projects managed by FIs, as well as being used to categorize traditional investment projects.

The decision to allocate a project to a Category should be made using information available at the time of project identification. It will be made based on professional judgment based on what is known about the following:

- The type and scale of the project.
- The project’s location and the presence of sensitive environmental or social components.
- The scale of the likely impact on environmental or social components, whether it can be minimized or mitigated and whether it would be irreversible.
- The significance, sensitivity and value of the environmental component or the social issue likely to be affected.
- The risk of specific Operational Safeguard requirements being triggered, e.g. need for a FRAP, non-compliance with specific EHS standards, impact on a critical habitat etc.
- The project’s vulnerability to climate change effects.

The potential impacts will be screened taking account of the project’s “area of influence”. The area of influence should be determined using professional judgment and should include:

- The area likely to be affected by the project itself and its various components (such as pipelines, transmission corridors, access roads or waste disposal sites).
- The area likely to be affected by associated facilities not funded by the project which would not have been constructed if the project did not exist or would not be viable without the project.
- The areas and the communities that are likely to be affected by unplanned but predictable developments caused or induced by the project.

Table 4 Summary of OS Objectives and Triggers

OS 1: Environmental and Social Assessment	
Objectives:	<ul style="list-style-type: none"> To identify and assess the environmental and social impacts (including gender) and climate change vulnerability issues of Bank lending and grant financed operations in their area of influence To avoid or if not possible minimize, mitigate and compensate for adverse impacts on the environment and on affected communities; To ensure that affected communities have timely access to information in suitable forms about Bank operations and are consulted meaningfully about issues that may affect them
Trigger:	<ul style="list-style-type: none"> This OS is triggered through the mandatory Environmental and Social Screening Process through which the project is assigned a Category based upon its potential environmental and social risks and impacts in its area of influence. These potential risks and impacts include physical, biological, socio-economic, health, safety, cultural property, transboundary impacts and global impacts including Greenhouse Gas (GHG) emissions and vulnerability to climate change effects.
OS 2: Involuntary Resettlement: Land Acquisition, Population Displacement and Compensation	
Objectives:	<ul style="list-style-type: none"> To avoid involuntary resettlement where feasible, or minimize resettlement impacts where involuntary resettlement is unavoidable, exploring all viable project designs; To ensure that displaced people receive significant resettlement assistance, preferably under the project, so that their standards of living, income earning capacity, production levels and overall means of livelihood are improved beyond pre-project levels; To set up a mechanism for monitoring the performance of involuntary resettlement programs in Bank operations and remedying problems as they arise so as to safeguard against ill-prepared and poorly implemented resettlement plans
Trigger:	<p>This OS is triggered if projects require the involuntary acquisition of land, involuntary acquisition of other assets or restrictions on land use and on access to local natural resources which result in:</p> <ul style="list-style-type: none"> Relocation or loss of shelter by the people residing in the project area of influence; Loss of assets or restriction of access to assets including national parks, protected areas or natural resources; or Loss of income sources or means of livelihood as a result of the project, whether or not the PAPs are required to move.
OS 3: Biodiversity and Ecosystem Services	
Objectives:	<ul style="list-style-type: none"> To preserve biological diversity by avoiding, or if not possible, reducing and minimizing impacts on biodiversity; In cases where some impacts are unavoidable, to endeavor to reinstate or restore biodiversity including, where required, the implementation of biodiversity offsets to achieve “not net loss but net gain” of biodiversity; To protect natural, modified and critical habitats; and To sustain the availability and productivity of priority ecosystem services to maintain benefits to the affected communities and to sustain project performance.
Trigger:	<p>This OS is triggered if a project is to be located in a habitat where there may be potential biodiversity impacts or in areas providing ecosystem services upon which potentially affected stakeholders are dependent for survival, sustenance, livelihood or primary income, or which are used for sustaining the project. It is also triggered if the project is designed to extract natural resources as a main purpose (e.g. plantation forestry, commercial harvesting, agriculture, livestock, fisheries and aquaculture).</p>

OS 4: Pollution Prevention and Control, Greenhouse Gases, Hazardous Materials and Resource Efficiency	
Objectives:	<ul style="list-style-type: none"> To manage and reduce pollutants likely to be caused by a project so that they shall not pose harmful risks to human health and the environment, including hazardous, non-hazardous waste and GHG emissions. To set a framework for efficiently utilizing all a project's raw materials and natural resources especially focusing on energy and water.
Trigger:	This OS is triggered if the project is likely to cause significant adverse environmental or social impacts owing to the emission of pollutants, waste or hazardous materials covered by national legislation, international conventions or internationally recognized standards or by unsustainable resource use. It is also triggered by potentially significant levels of GHG emissions.
OS 5: Labor Conditions, Health and Safety	
Objectives:	<ul style="list-style-type: none"> To protect the workers' rights and to establish, maintain, and improve the employee – employer relationship; To promote compliance with national legal requirements and provide due diligence in case national laws are silent or inconsistent with the OS; To provide broad consistency with the relevant International Labor Organization (ILO) Conventions, ILO Core Labor Standards and the UNICEF Convention on the Rights of the Child in cases where national laws do not provide equivalent protection; To protect the workforce from inequality, social exclusion, child labor and forced labor; and To establish requirements to provide safe and healthy working conditions
Trigger:	This OS is triggered if the project involves the establishment of a temporary or permanent workforce.

Category Definitions

The Bank's OS 1 defines the following four Categories:

Category 1: Bank operations likely to cause significant environmental and social impacts. Category 1 projects are likely to induce significant, irreversible adverse environmental and / or social impacts, or significantly affect environmental or social components that the Bank or the borrowing country considers sensitive. In a limited number of cases, Program-Based Operations (PBOs) or other regional and sector program loans may have significant adverse environmental or social risks and shall be deemed to be Category 1. Category 1 projects require a full Strategic Environmental and Social Assessment (SESA) in the case of PBOs or regional and sector loans or an Environmental and Social Impact Assessment (ESIA) in the case of investment projects, leading to the preparation of an Environmental and Social Management Plan (ESMP). In some cases, projects shall be included in Category 1 owing to potential cumulative impacts, which will need to be addressed in the ESIA. Any project requiring a Full Resettlement Action Plan (FRAP) under the provisions of the Bank's Policy on Involuntary Resettlement shall also be deemed to be Category 1 in which case the ESIA shall include, and may be limited to, the social assessment needed to prepare the FRAP.

A Category 2 project can be reclassified as category 1 if OSs 1, 2 and 3 are triggered. See box A of the initial environmental and social screening checklist for all the conditions under which a Category 2 project can be classified as Category 1.

In addition for a category 1 project, if an OS is triggered, the requirements of this specific OS should be met by the project.

Category 2: Bank operations likely to cause less adverse environmental and social impacts than Category 1. Category 2 projects are likely to have detrimental site-specific environmental and / or social impacts that are less adverse than those of Category 1 projects and can be minimized by applying appropriate management and mitigation measures or incorporating internationally recognized design criteria and standards. Most PBOs and regional or sector program loans designed to finance a set of sub-projects approved and implemented by the borrower or client shall be included in this Category unless the nature, scale or sensitivity of the intended pipeline of sub-projects involves a high level of environmental and social risk. Category 2 projects require an appropriate level of Environmental and Social Assessment (SESA for program operations or ESIA for investment projects) tailored to the expected environmental and social risk so that an adequate ESMP can be prepared in the case of an investment project or an Environmental and Social Management Framework (ESMF) can be designed and implemented by the borrower in the case of program operations to manage the environmental and social risks of sub-projects in compliance with the Bank's safeguards.

A Category 3 project can be reclassified as category 2 if OSs 1 and 2 are triggered. See box B of the initial environmental and social screening checklist for all the conditions under which a Category 3 project can be classified as Category 2.

In addition for a category 2 project, if an OS is triggered, the requirements of this specific OS should be met by the project.

Category 3: Bank operations with negligible adverse environmental and social risks. Category 3 projects do not directly impact the environment adversely and are unlikely to induce adverse social impacts. They do not require an environmental and social assessment. Beyond Categorization, no action is required. Nonetheless, to design a Category 3 project properly, it may be necessary to carry out gender analyses, institutional analyses, or other studies on specific, critical social issues in order to anticipate and manage unintended impacts on the affected communities.

In addition for a category 3 project, if an OS is triggered, the requirements of this specific OS should be met by the project.

Category 4: Bank operations involving lending to Financial Intermediaries. Category 4 projects involve Bank lending to Financial Intermediaries (FIs) who on-lend or invest in sub-projects that may produce adverse environmental and social impacts. FIs include banks, insurance, re-insurance and leasing companies, microfinance providers and investment funds that use the Bank's funds to on-lend or provide equity finance to their clients. FIs shall also be understood to include private or public sector companies that receive corporate loans or loans for investment plans from the Bank used to finance a set of sub-projects. However in cases where a Bank corporate loan will be used by the client to finance high-risk investment projects known at the time of loan approval, the loan can be deemed to be Category 1 or 4(1) requiring an ESMS as well as a detail ESA studies. In cases where a Bank corporate loan will be used by the client to finance low-risk investment projects known at the time of loan approval, the loan can be deemed to be Category 2 or 4(2) requiring an ESMS as well as a detail abbreviated ESA studies. In cases where a Bank corporate loan will be used by the client to finance no-risk investment projects known at the time of loan approval, the loan can be deemed to be Category 3 or 4(3) for which no ESA studies are required. FIs are required to apply the Bank's OSs and equivalent procedures to their sub-projects and to comply with local environmental and social requirements. The FI must demonstrate to the Bank that it has developed and will maintain an Environmental and Social Management System (ESMS) in line with the Bank's OSs and appropriate

for the scale and nature of its operations – recognizing that FIs' operations vary considerably and in some cases may pose minimal environmental and social risk. The FI must also demonstrate that it has the management commitment, organizational capacity, resources and expertise to implement its ESMS for its subprojects. The Bank shall carry out due diligence of the ESMS and the FI's organizational capacity before approving the loan. The FI shall make a summary of the ESMS available to the public locally, e.g. on its website, before the loan can be approved.

In addition for a category 1 project, if an OS is triggered, the requirements of this specific OS should be met by the project.

Specific cases

Projects initially classified in Category 2 can be upgraded to Category 1 if they present the potential to negatively affect environmentally sensitive areas or socially sensitive issues. Box A of the checklist identifies the principal issues that justify upgrading a project from Category 2 to Category 1.

Some projects initially classified in Category 3 are upgraded to Category 2 when it becomes clear that they could adversely affect the physical environment or be detrimental to communities. Negative effects that justify upgrading a project from Category 3 to Category 2 are listed in Box B of the checklist.

Program-based Operations: Bank lending for general or sectoral budget support might be deemed to be Category 1 or Category 2 if its scope and scale may have significant or less adverse impacts on key national or sub-national natural resources or ecosystems, and/or may have significant social impacts in communities considered to be sensitive by the Bank. It is not expected that many Program-based Operations would be Category 1. As an example, however, budget support for the reform/expansion of the mining sector would be likely to be deemed to be Category 1.

Sector lending: Loans for investment plans in a key economic sector might be deemed to be Category 1 if their scope, scale and sensitivity suggested that they might have a significant impact on the use of natural resources or involved major increases in physical activities which could have environmental and social impacts. Examples likely to be considered Category 1 could be sector loans for investments in the construction sector, or an energy sector loan that would lead to an expansion of major hydropower investments.

Program lending: Program loans that enable the borrower to implement a set of sub-projects over the lifetime of the loan should be assigned to Category 2, unless the cumulative nature of the project pipeline and expected scale or sensitivity of the sub-projects would present a high level of environmental and social risk. For example, a rural infrastructure program in an area of high biodiversity significance would be likely to be Category 1.

FIs: Loans or equity investments in private and public sector Financial Intermediaries, such as local banks, investment funds, leasing and insurance companies that use the Bank's funds to on-lend to or invest in local projects or companies should be assigned to Category 4. Corporate loans should be included in Category 4 except in cases where it is known at the time of approval that the loan will be applied to one or more major investment projects which would normally be Category 1 or 2.

Initial Environmental and Social Screening Checklist

Box 1: Category 1 Projects

Natural resources exploitation and rural development

- Large-scale reclamation and new land development
- River basin development
- Large-scale irrigation, drainage and flood control
- Large-scale land clearance and leveling
- Plantation forestry and commercial harvesting
- Large-scale fisheries and aquaculture
- Large-scale agriculture and livestock rearing

Industry

- Industrial estate
- Agro-industry with organic effluents or wastes
- Mining and processing of metal ores or coal
- Industrial plants, including major expansions (with toxic or dusty discharges)
- Manufacture, transportation, and use of pesticides, and/ or hazardous materials
- Projects that may significantly impact community safety
- Major storage facilities for hazardous materials
- Oil and gas exploration and production

Infrastructure

- Major water resource projects
- Large-scale thermal development or expansion
- Large-scale power transmission
- Large-scale urban water supply
- Large-scale urban sanitation
- Large-scale road and railway construction, upgrading or major rehabilitation
- Construction, major expansion or rehabilitation of ports, harbors and coastal structures
- Construction, major expansion or rehabilitation of airports
- Large-scale tourism development

Other types of projects

- Projects that require a Full Resettlement Action Plan (FRAP)
- Coastal or waterside development
- Projects that may significantly increase health and safety risks, including the risk of HIV/AIDS
- Importation of exotic species for commercial use
- Projects in legally protected areas or internationally recognized areas
- Projects with trans-boundary effects
- Management and disposal of hazardous waste
- Wastewater collection, treatment and disposal projects

...is then classified in Category 1

Box A

Affect environmentally sensitive components

- Natural and critical habitats (as per definitions in OS 3).
- Legally protected areas and internationally recognized areas (as per definition in OS3)
- Projects that intentionally intend to introduce invasive alien species and/or GMOs.
- Projects that may cause a significant impact to priority ecosystem services (as defined by OS 3)
- Projects that may affect populations of endangered and/or critically endangered species (as defined by OS 3)

Affect socially sensitive components

- Lead to the resettlement of a large population (more than 200 people) (as per OS 2)
- Affect rural areas whose population density is higher than the national average
- Affect physical cultural heritage (as defined in OS 1)
- Lead to a loss of intangible cultural heritage (as defined in OS 1)
- Affect areas presenting complex social settings or subject to significant social risks (post-conflict situations)
- Negatively affect vulnerable groups (as defined in OS1)
- Reduce the food supply for children and vulnerable groups, etc.
- Lead to a loss of productive assets (land, credit, etc.) for vulnerable groups
- Intensify discriminatory practices, particularly against women
- Reduce women's participation in decision-making processes

But a Category 2 project that may ...

Box 2: Category 2 Projects

Natural resources exploitation and rural development

- Small-scale reclamation and new land development
- Small-scale reforestation/ afforestation
- Small-scale plantation forestry and commercial harvesting
- Improvement of land and soil management and agricultural and livestock rearing practices
- Small-scale irrigation and drainage
- Small-scale fisheries and aquaculture
- Watershed development (management or rehabilitation)
- Intensive livestock rearing

Industry

- Manufacture of construction materials
- Textile plants (thread making and weaving)
- Industry development (without toxic discharge)
- Local storage facilities for petroleum, petrochemical and chemical products
- Distribution pipelines and gas lines
- Exploration activities involving physical interventions

Infrastructure

- Small reservoirs
- Construction of feeder roads
- Road rehabilitation and maintenance
- Telecommunication facilities
- Rural water supply and sanitation
- Water supply and sanitation projects
- Small-scale hydropower development
- Small-scale power transmission
- Rural electrification
- Renewable energy development
- Urban expansion plan
- Public facilities (hospitals, schools, housing developments, etc.)
- Small-scale tourism development
- Small-scale rehabilitation, maintenance and modernization projects

Other types of projects

- Environmental programs
- Structural and sectoral adjustment loans
- Privatization projects
- Microfinance projects
- Poverty reduction projects
- HIV/AIDS programs and projects
- Projects that target women

...is then classified in Category 2

Box B

- Involve negative physical interventions in the environment
- Disfavor vulnerable groups (as per definition in OS 1)
- Affect rural areas whose population density is higher than the national average
- Increase women's workload
- Adversely modify gender relationships, roles and/or responsibilities
- Be detrimental to the low income population, to women, to vulnerable groups or to less-organized segments of society, such as nomads
- Cause the involuntary displacement or resettlement of a small number of people (less than 200 people) (as per OS1)
- Loss of assets or restriction of access to assets including national parks, protected areas or natural resources; or
- Loss of income sources or means of livelihood as a result of the project, whether or not the PAPs are required to move.
- Increase health risks, including risk of HIV/AIDS
- Gender case disparities in access to education

But a Category 3 project that may ...

Box 3: Category 3 Projects

- Institutional development and capacity building
- Human resources projects
- Health programs, family planning programs
- Nutrition programs, educational programs
- Non-intrusive research projects

Box 4: Category 4 Projects (Financial intermediaries)

- Lines of credit, corporate loans to banks, private equity funds, etc., managed by Financial Intermediaries

Guidance for Using the Checklist

In consulting the checklist, the user should first determine whether the project meets the criteria listed in Box 1, 2, 3, or 4.

- Box 1 refers to the type and scale of project that would usually be Category 1.
- Box 2 refers to the type and scale of project that would usually be Category 2.
- Box 3 refers to the type and scale of project that would usually be Category 3.
- Box 4 refers to the type and scale of project that would usually be Category 4.

Although Boxes 1 and 2 refer to ‘large’ and ‘small’ scale, the checklist does not propose specific numerical thresholds for differentiating large from small projects. To differentiate large from small projects, the size and relative importance of the project should be taken into account, and the significance, sensitivity and value of the receiving environmental or social component should be considered.

For instance, considering the size and relative importance of their potential impacts, the following projects shall be assigned to Category 1:

- Projects directly affecting land use areas of 2000 ha and more such as large scale irrigation and drainage projects;
- Dam projects involving the establishment of a reservoir of 1000 ha or more affecting land used by local populations;
- Road or railway construction / rehabilitation / expansion of 50 km or more in highly populated, cultivated or forested areas ;
- Power transmission line of more than 110 kV, crossing highly populated, forested or cultivated areas;
- Power generation plants of more than 30 MW.

In addition, the following criteria may be used as a guide:

- Compare the project to similar projects to see what categories have been assigned in the past. This ensures consistency.
- Consult environmental and social impact assessment codes or regulations in the borrowing country. These may specify legally binding thresholds.
- Evaluate the scale of the project in relation to the location and the area affected.
- Consider the significance, the sensitivity, and the value of the environmental and social components potentially affected.
- Take the magnitude of potential impacts into account.

Box A lists environmentally sensitive aspects or socially sensitive issues potentially impacted by a project that should be taken into account in assigning a project to Category 1 or 2. If a project meets the criteria listed in Box 2, the user should verify whether the project could negatively impact a socially sensitive issue or adversely affect an environmentally sensitive aspect detailed in Box A. If so, the project should be upgraded from Category 2 to Category 1.

If a project meets the criteria listed in Box 3, the user should verify whether the project involves potential negative physical interventions in the environment or could adversely affect key social components listed in Box B. If so, the project should be classified in Category 2.

The significance, sensitivity or value of an environmental or social component refers to its importance to the affected community, the borrowing country, the Bank or the international community. Examples of significant components are greenhouse gas emissions and vulnerable ethnic minorities. The sensitivity of a component refers to its capacity to respond to an adverse impact or threat. Examples of sensitive components are erosion-prone areas, water catchments,

and displaced people. The value of a component refers to its importance from a local or cultural point of view. Examples include ecosystems on which communities depend for their livelihoods and the cultural value of sacred sites.

The Categorization should take account of potential cumulative impacts – i.e. those that result from the incremental impacts arising from the addition of the project's potential impacts to the impacts of other projects (those known to exist or to be planned) in the wider project area.

Once the project category has been validated by the Safeguards and Compliance Division, the sector department and the borrower should discuss environmental and social assessment requirements, highlighting major concerns that the environmental and social studies should address. These should be documented in the Validation of Categorization Memorandum (VCM).

ANNEX 3 — FORMAT OF REQUEST FOR CATEGORISATION MEMORANDUM

Request for Categorization Memorandum (RCM)

Section A1: to be filled by Sector Departments

Project Title:	SAP Code:
Country:	Department:
Division:	Date of Categorization:
Project Task Manager/Alternate Task Manager:	
Sector Department Staff Resp. for Environmental, Social and Climate Change due diligence:	
1	Brief Description of the project and main components.
2	Brief Description of the project's key environmental, social and climate change components.
3	Main environmental, social and climate change impacts anticipated at this stage.
4	Mitigation/ enhancement, monitoring and institutional measures anticipated at this stage.
5	Diagnosis of in-country system concerning environmental, social and climate change issues in terms of categorization system; ESA studies required; and the agency or national institution that is responsible for the E&S management process.
6	Public consultation and disclosure requirements.
7	Guidelines and standards (including Operational Safeguards and Guidance Notes), to consider during ESA studies. This section shall describe the key aspects of the project that resulted in triggering the relevant Operational Safeguards.
8	Proposed Project Category (1, 2, 3, 4A, 4B or 4C):
9	Justification for Proposed Project Category.
10	Date of transmission to Safeguards and Compliance Division:

ANNEX 4 — FORMAT OF VALIDATION OF CATEGORISATION MEMORANDUM

Validation of Categorization Memorandum (VCM)

Section A2: to be filled Safeguards and Compliance Div. staff

Project Title:	SAP Code:
Country:	Department:
Division:	Date of Categorization:
Project Task Manager/Alternate Task Manager:	
Safeguards and Compliance Div. Staff Responsible for Category Validation:	
1 Environmental, social and climate change safeguard issues identified during review:	
2 Policies and Operational Safeguards triggered: (Tick Appropriate Box)	OS1 <input type="checkbox"/> OS2 <input type="checkbox"/> OS3 <input type="checkbox"/> OS4 <input type="checkbox"/> OS5 <input type="checkbox"/>
3 Type and scope of ESA studies required (including status of TORs): (i.e. detailed ESIA studies, FRAP, ARAP, ESMP, SESA, ESMS, CDP, ICDP etc...)	
4 Record of follow up meetings (if any) with SD: (Date, attendance and summary of key points)	
5 Category Validated: (Tick Appropriate Box) If no, advise SD accordingly	Yes <input type="checkbox"/> / No <input type="checkbox"/>
6 Category Validated: (Tick Appropriate Box)	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4(1) <input type="checkbox"/> 4(2) <input type="checkbox"/> 4(3) <input type="checkbox"/>
7 Date of Category Validation or Revision:	
8 Reason(s) for Category Revision (if applicable)	

ANNEX 5 — ENVIRONMENTAL AND SOCIAL CONTENT IN PROJECT CONCEPT NOTE

The intention of this annex is to outline the environmental and social information that shall be incorporated into Section IV, XI and Section XII of the PCN.

IV. Compliance with the Integrated Safeguards System

4.1	Environmental Categorization; What is the project category? Has the Categorization been Validated by Compliance & Safeguards Div.? (Y/N, is yes state the date of validation)	
4.2	Environmental and Social Impact Assessment Undertaken? (Y/N, date)	
4.3	Project Involves Resettlement? (Y/N)	

XI. Project Description

11.4	Cross-cutting Issues: Outline the project's compliance with the Bank's Group environmental, social and climate change safeguard policies and procedures.
------	--

XII. Potential Risks and Mitigation Measures

12.1	Expected Risks of High Impact or High Probability of Occurrence and Proposed Mitigation Measures related to Implementation, Monitoring, Technical, Financial, Political, Social, Economic, etc., and Particularly Those Related to Safeguard Policies (Risks also Reflected in Log Frame).
12.2	<p>Institutional Capacity:</p> <p>Determine if there will be Potential Risks owing to Insufficient Institutional Capacity for the Development and Implementation of SESA / ESMP / ESIA / ESMP, ESMP, ESMF or ESMS (as per the Project Category and in Accordance with OS 1).</p> <p>If this Risk has been Identified, Outline any Actions to Reinforce Institutional Capacity.</p>

ANNEX 6 — DESCRIPTION OF INSTRUMENTS: ENVIRONMENTAL AND SOCIAL ASSESSMENT (ESA) STUDIES

The ESA studies (SESA, ESIA, ESMF, ESMP and ESMS) are instruments that shall be used in accordance with the requirements established in OS 1 and the ESAP. This annex provides a description of these instruments.

Strategic Environmental and Social Assessment (SESA)

Both the SESA and the ESIA are instruments used to identify, predict and assess the likely environmental and social consequences of proposed development activities, in order to ascertain the means through which to avoid, minimize, mitigate, compensate / offset and / or monitor adverse impacts, and increase development benefits.

The main difference between a SESA and an ESIA is that the former is applied to Program-Based Operations, such as budget support, sector reform and regional and sector program loans or investment plans. These have a broader, upstream and more long-term strategic perspective. The latter is applied to downstream site-specific projects that have a relatively shorter time scale.

The aim of a SESA is to integrate strategic environmental and social considerations into the preparation of Program-Based Operations, such as budget support, sector reform and regional and sector program loans or investment plans. In those cases where the environmental and social risks are very high, they will be deemed to be Category 1 resulting in a full SESA and an ESMP. In most cases, they will be deemed to be Category 2 and subject to an appropriate level of SESA needed to prepare an ESMF. The SESA provides a baseline overview of prevailing environmental and social conditions. Using this baseline, the SESA examines alternative scenarios to assess the potential environmental and social implications of the proposed initiative and the institutional options for the monitoring and management of resulting environmental and social changes over time. A SESA can also make it possible to address in advance the cumulative environmental and social effects of numerous individual projects.

The format for a SESA / ESMP or ESMF report is provided in Annex 7 and 9 respectively. Information on how to prepare a SESA / ESMP or ESMF is provided in the Guidance Notes on SESA, ESMP and ESMF.

Environmental and Social Impact Assessment (ESIA)

An ESIA is an instrument used to identify, predict and assess the likely environmental, climate change and social consequences of a proposed development project in order to ascertain the means through which to avoid, minimize, mitigate, compensate / offset and / or monitor adverse impacts, and increase development benefits.

An ESIA assesses the direct, indirect and cumulative impacts of a project in its area of influence, examines project alternatives and determines the significance of each of the impacts identified. The ESIA should identify ways of improving project selection, design, siting and implementation in order to avoid or mitigate and manage adverse environmental and social impacts.

An ESIA should address the natural environment, human health and safety, social impacts including the risks to vulnerable groups, involuntary resettlement, cultural resources and vulnerability to climate change.

The format for an ESIA / ESMP report is provided in Annex 7. Information on how to prepare a ESIA / ESMP is provided in the Guidance Notes on ESIA / ESMP.

Environmental and Social Management Plan (ESMP)

An ESMP is a plan which describes the actions that will be taken by the borrower / client to enhance positive impacts and to avoid, minimize, mitigate, compensate / offset negative impacts. The ESMP is also used monitor identified environmental and social impacts of development activities.

An ESMP should describe the mitigation and management measures, clarify responsibilities for implementation, provide an implementation plan with the necessary time schedule and costs and indicate how environmental and social monitoring measures are to be implemented.

The format for an ESMP report is provided in Annex 10. Information on how to prepare an ESMP is provided in the Guidance Note on ESMP.

Environmental and Social Management Framework (ESMF)

An ESMF should provide an agreed process to be implemented by the borrower for the management of potential environmental and social impacts and risks in the context of Category 2 program operations. An ESMF should detail a set of procedures, methodologies and management measures to ensure that the environmental and social impacts of sub-projects are addressed in an appropriate manner.

The format for an ESMF report is provided in Annex 9. Information on how to prepare an ESMF is provided in the Guidance Note on ESMF.

Environmental and Social Management System (ESMS)

An ESMS should integrate environmental and social impact and risk management into the FI's business processes so that the FI can manage potential environmental and social impacts of subprojects by ensuring the conduct of environmental and social due diligence prior to financing subprojects and adequate monitoring during the term of the loan agreement.

The format for an ESMS report is provided in Annex 12. Information on how to prepare an ESMS is provided in the Guidance Note on ESMS.

Full Resettlement Action Plan (FRAP)

A FRAP will be required for any project that involve a significant number of people (more than 200 people) who would need to be displaced with a loss of assets, or access to assets or reduction in their livelihood.

The plan should address potential adverse impacts of the project and at the same time make provisions for the opportunity the project offers to improve the socio-economic conditions of the affected

population. The FRAP should be finalized as a supplement document to the Environmental and Social Impact Assessment (ESIA) report.

The format for a FRAP report is provided in Annex 13. Information on how to prepare a FRAP is provided in the Involuntary Resettlement Policy and the Guidance Note on FRAP.

Abbreviated Resettlement Action Plan (ARAP)

For projects in which the number of people to be displaced with a loss of assets or restriction of access to assets is less than 200 people, an ARAP should be prepared and agreed with the borrower. The plan should address potential impacts of the project and at the same time make provisions for the opportunity the project offers to improve the socio-economic conditions of the affected population. The FRAP should be finalized as a supplement document of the ESMP.

The format for an ARAP report is provided in Annex 13. Information on how to prepare an ARAP is provided in the Involuntary Resettlement Policy and the Guidance Note on ARAP.

ANNEX 7 — FORMAT OF REPORTS: SESA/ESMP AND ESIA/ESMP

SESA/ESMP

Project Title:	Project Number:
Country:	Department:
Division:	Project Category:
<p>1 Summary:</p> <p>This section shall present in a non-technical language a concise summary of the SESA report including the baseline conditions; the alternatives considered; mitigation/enhancement measures. The summary shall also present the monitoring program; consultations with stakeholders; technical and institutional capability of the program/policy/plan implementing units, actions to strengthen those capacities; and cost implications.</p>	
<p>2 Introduction:</p> <p>The introduction shall indicate the purpose of the SESA, present an overview of the proposed programme, policy or plan, as well as its purpose and needs. It shall also briefly mention the contents of the SESA report and the methods adopted to complete the assessment.</p>	
<p>3 Description of proposed Programme-Based Operation/regional or sector loan/ programme operation and justification:</p> <p>This chapter shall describe the programme, policy or plan, its area of influence (including a map showing the proposed locations) and its geographic, ecological, social, economic and temporal context, various project components, capacity, construction activities, facilities, staffing, working conditions, availability and source of raw materials, production methods, products, schedule of works, land tenure, land use system, affected groups (directly and indirectly), and offsite investments that may be required. A justification of the proposed programme, policy or plan shall be outlined in this section, clarifying its objectives, intended benefits and the intended beneficiaries.</p>	
<p>4 Presentation of the alternatives considered:</p> <p>In this section, the SESA shall identify and describe all possible alternatives for the proposed programme, policy or plan including the status quo or “no-go” alternative that provides a benchmark for the SESA. The list of possible alternatives shall include those that are technically and economically feasible.</p>	

5 Evaluation of the environmental and social impacts of each alternative and conclusions regarding their significance:

This section presents a comparison of the identified alternatives with proposed programme, policy or plan. The alternative comparison shall address the proposed programme, policy or plan site locations, technology, design, and operation, in terms of its potential environmental and social impacts and the feasibility of mitigating these impacts. The conclusions drawn on the potential level of significance and magnitude of these impacts should be outlined in this section for each identified alternative. The basis of the alternative comparison shall involve a rigorous criteria resulting in the impact assessment. Environmental and social criteria shall be defined, weighted, quantified and valued, when possible. Criteria used to compare alternatives shall be clear and understandable to decision makers. The use of a matrix is suitable to rank criteria. The optimal alternative shall be the most environmentally and socially sustainable and be technically and economically feasible. Whenever possible, alternative analysis shall involve stakeholder input, through appropriate consultation mechanisms.

6 Results of the comparison of alternatives:

Based on the information presented in the previous section, the results of the comparison of alternatives should be outlined in this part of the SESA. The selected alternative shall be the optimal alternative in terms of environmentally and socially sustainable, taking into account the technical and economical feasibility of the proposed programme, policy or plan.

7 Expected residual effects:

This section aims to identify the net impacts of the optimal alternative in light of the mitigation and enhancement measures that are recommended. Again, an important task under this step is to evaluate uncertainties and requirements for further analysis. Some of these requirements may be addressed through project-specific ESA studies.

8 Summary of public consultations and the opinions expressed:

This section shall outline the process and the methodology that was adopted to consult key stakeholders. It shall also state the locations and venues of such consultations and the number of participants and level of representation at each consultation meeting. The ideas, contributions or opinions expressed by the public and other stakeholders shall be presented in this section as well as the extent to which they were incorporated into the design of the program, policy or plan.

9 ESMP, including management measures, actions, roles and responsibilities, timeframes, monitoring and cost of implementation: See also Annex 10.

This step involves identifying measures to prevent, minimize, mitigate or compensate adverse impacts as well as to enhance potential benefits of the selected alternative. The selection of appropriate measures shall be based on previous findings related to the type, likelihood and magnitude of potential impacts. For example, recommended measures could include changes in the optimal plan or program, conditions on projects or activities arising from the plan or program, or compensation measures. This step also requires to evaluate uncertainties and to determine the means to acquire further information on uncertain factors. A monitoring programme should also be included to follow-up on these management measures and provide a feedback mechanism to determine the effectiveness of the SESA process, and identify further changes that may be needed to improve the selected alternative.

10	<p>Institutional Capacities and Strengthening plan:</p> <p>The institutional strengthening plan shall address weaknesses identified at the environmental and social management level. Initiatives that could be considered, among others, include training for existing staff, hiring new employees, reorganizing units or agencies and redefining roles and responsibilities for strengthening environmental and social management.</p>
11	<p>Conclusion:</p> <p>The conclusion shall specify the environmental and social acceptability of the programme, policy or plan, taking into account the impacts and mitigation/enhancement measures identified during the assessment process. It shall also include any other conditions or external requirements for ensuring the successful implementation of the programme, policy or plan.</p>
12	<p>Annexes:</p> <ul style="list-style-type: none"> • List of the professionals and organizations having contributed to the preparation of the ESIA Report. • List of consulted documents, including programme-related reports. • Baseline data referred to in the Report. • Record of consultation meetings with primary and secondary stakeholders.

ESIA / ESMP

<p>Project Title:</p> <p>Country:</p> <p>Division:</p>		<p>Project Number:</p> <p>Department:</p> <p>Project Category:</p>	
1	<p>Executive Summary:</p> <p>This section shall present in a non-technical language a concise summary of the ESIA Report including the baseline conditions; the alternatives considered; mitigation/enhancement measures; monitoring program; consultations with stakeholders; capabilities of environmental and social units and actions to strengthen those capacities; and cost implications.</p>		
2	<p>Introduction:</p> <p>The Introduction shall indicate the purpose of the ESIA, present an overview of the proposed project to be assessed, as well as the project's purpose and needs. It shall also briefly mention the contents of the ESIA Report and the methods adopted to complete the assessment.</p>		
3	<p>Policy, legal and administrative framework:</p> <p>This chapter concerns the policy, legal and administrative framework within which the ESIA is carried out. It presents the relevant environmental, climate change and social policies of the Bank, co-financiers and borrowing country, as well as the national legal requirements and related constraints relevant to the project. It identifies relevant international environmental/climate change/social agreements to which the country is a signatory.</p>		

4 Description of project and justification:

The first part of this chapter shall describe the proposed project, its area of influence (including a map showing the project's location) and its geographic, ecological, social, economic and temporal context; various project components, capacity, construction activities, facilities, staffing, working conditions, availability and source of raw materials, production methods, products, schedule of works, land tenure, land use system, potential beneficiaries, affected groups (directly and indirectly), and offsite investments that may be required.

This section shall determine and characterize the anticipated impacts. It shall also indicate the need for any resettlement plan or vulnerable group's development plan. The project justification should be based on combined economic, environmental and social assessments. To this end, this chapter shall describe the current situation in the sector, explain the problems or the needs to be satisfied by the project and present the constraints associated with the project implementation.

5 Description of project environment:

This chapter shall first determine the limits of the study area that shall be defined in order to encompass all project direct and indirect impacts. The description and analysis of the physical and biological shall address relevant environmental, social and climate change issues within this area, including any changes anticipated before project implementation. The description shall also integrate human conditions including population characteristics and trends, revenue disparities, gender differences, health problems, natural resource access and ownership, land use patterns and civil society organization level.

It shall also address the interrelations between the environmental and social components and the importance (value) that the society and local populations attach to these components. A particular attention shall be given to the rare, threatened, sensitive or valorized environmental and social components. Maps, figures and tables shall be included in this chapter to better illustrate the various environmental and social components.

6 Presentation of the alternatives considered:

This part of the ESIA Report consists in analyzing the various feasible alternatives of the project, including the "without project" option. It normally comprises two sections. The first section identifies and describes the potential feasible alternatives that would allow to reach the project objectives. The second section presents a comparison of the potential alternatives on the basis of technical, economic, environmental and social criteria, as well as of public views and concerns.

7 Results of the comparison of alternatives:

The alternative comparison shall address the proposed project site, technology, design, and operation, in terms of their potential environmental and social impacts and the feasibility of mitigating these impacts. For each of the alternatives, the environmental and social impacts shall be quantified as possible, including their economic values where feasible. The selected alternative shall be the most environmentally and socially sustainable, taking into account the technical and economical feasibility.

8 Potential Environmental and Social Impacts:

This chapter presents a detailed analysis of beneficial and adverse impacts of various components of the selected project alternative on the physical, biological and human (social, cultural and economic) environments. The methodology of assessment, based on a rigorous scientific method, shall be first presented. Then all environmental and social, direct and indirect, short and long-term, temporary and permanent impacts shall be described and assessed, indicating their importance level and their probability of occurrence. The importance level may be assessed on the basis of the nature, extent, intensity and duration of the impact, as well as on the sensitivity of the concerned environmental and social components and perceptions of the public. Irreversible or unavoidable impacts shall be clearly identified. Cumulative effects shall also be addressed taking into account other projects or actions planned in the study area.

9 Mitigation/Enhancement Measures and Complementary Initiatives

Appropriate mitigation measures shall be identified to prevent, minimize, mitigate or compensate for adverse environmental and/or social impacts. Moreover, enhancement measures shall be developed in order to improve project environmental and social performance. Roles and responsibilities to implement measures shall be clearly defined.

The cost of each mitigation and enhancement measure shall be estimated, including the cost for environmental and social capacity building. This cost shall be estimated for each identified measure and integrated into the overall project cost discussed in section 2.3 of the main appraisal report. A clear budget line for the measures shall be provided in the detail cost breakdown by category, component, foreign and local cost provided in the technical annex B2 of the Appraisal report. The total cost of the mitigation/enhancement measures shall also be provided in Annex B8 of the Appraisal report.

Whenever applicable this section shall present initiatives proposed to complement the enhancement and mitigation measures previously described. For example, resettlement plans shall be summarized in this section, briefly presenting the number of displaced people, compensation and re-insertion measures, legal status, public consultations, implementation schedule as well as monitoring and evaluation procedures.

10 Expected residual effects and environmental hazard management:

Residual impacts shall be presented. Whenever relevant, this chapter shall also describe the security measures and propose a preliminary contingency plan for the construction and operation phases of the project (possible contingency situations, major actions to properly react to accidents, responsibilities and means of communications).

For projects that may cause major technological accidents whose consequences may exceed the project site, the ESIA shall include an analysis of the technological accident risk: identification of hazard and potential consequences, estimation of the consequences' magnitude and frequency, and risk estimation and evaluation.

11 Monitoring Program

This section shall summarize the surveillance and monitoring activities proposed in the Environmental and Social Management Plan prepared for the project. It shall identify the roles and responsibilities of stakeholders in the implementation as well as the estimated cost of the activities.

12 Summary of public consultations and the opinions expressed:

This chapter shall summarize the actions undertaken to consult the groups affected by the project, as well as other concerned key stakeholders including Civil Society Organizations. The detailed record of the consultation meetings shall be presented in annex to the ESIA Report. The consultation shall be free, prior and informed with communities likely to be affected by environmental and social impacts, and with local stakeholders, and also for ensuring the satisfaction of Broad Community Support (BCS), especially for Category 1 projects and for projects affecting Indigenous Peoples. Consultation shall be undertaken with reference to Guidance Notes on Informed Consultation Participation and BCS.

The results of such consultation shall be adequately reflected in the project design as well as in the preparation of project documentation. In all cases, consultation should be carried out in conjunction with the release of environmental and social information.

13 ESMP:

This section shall present management measures including actions, roles and responsibilities, timeframes, monitoring and cost of implementation: See also Annex 9.

14 Institutional Capacities and Strengthening plan:

This section shall outline the adequacy of the institutional capacity within the project implementing agency to oversee the implementation of the ESMP. This institutional capacity shall be strengthened to improve the implementing agency's function with regard to environmental and social management.

15 Conclusion:

The Conclusion shall specify the environmental and social acceptability of the project, taking into account the impacts and measures identified during the assessment process. It shall also identify any other condition or external requirement for ensuring the success of the project.

16 Annexes:

- List of the professionals and organizations having contributed to the preparation of the ESIA Report.
- List of consulted documents, including project-related reports.
- Baseline data referred to in the Report.
- Record of consultation meetings with primary and secondary stakeholders.

ANNEX 8 — TYPICAL CONTENTS OF AN ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT SUMMARY

Introduction

This annex specifies the typical contents of an Environmental and Social Impact Assessment Summary, as required by the ESAP for Category 1 projects. The ESIA Summary needs to be written in English and French. As the ESIA Summary is distributed to the Board and publicly released, it shall not exceed 12 pages and be written in a non-technical language.

Contents of an ESIA Summary

Project Title:	Project Number:
Country:	Department:
Division:	Project Category:
1 Introduction: This section shall outline the contents of the Summary.	
2 Policy, Legal and Administrative Framework This chapter summarizes the policy, legal and administrative framework within which the ESIA was carried out, including the relevant environmental and social requirements of the Bank, co-financiers (if applicable) and borrowing country. Also, it identifies relevant international environmental/social agreements that may be related to the project.	
3 Project Description and Justification The first part of this section shall present the study area and summarize the proposed project activities. The second part shall briefly justify the project: purpose and needs to be fulfilled by the project. Figures and maps, if necessary, shall be incorporated to facilitate the comprehension of the project.	
4 Description of the Project Environment This section shall provide a brief description of the main physical, biological and human (social, cultural and economic) conditions prevailing in the study area.	
5 Project Alternatives This section shall present and analyze the various alternatives considered to reach the project's objectives, including the "no action" option. Alternatives shall be compared in terms of their technical, economic, environmental and social feasibility and climate risk, including public concerns.	

6 Results of Comparison of Alternatives

The alternative comparison shall address the proposed project site, technology, design, and operation, in terms of their potential environmental and social impacts and the feasibility of mitigating these impacts.

7 Potential Impacts

This section shall present the analysis of beneficial and adverse impacts of the selected project alternative on the biophysical and human (social, cultural and economic) environments. Environmental and social significant impacts including climate risk and their importance shall be summarized and irreversible or unavoidable impacts shall be clearly identified. The analysis shall cover anticipated impacts during the construction, operation and decommissioning phases.

8 Mitigation/Enhancement Measures and Complementary Initiatives

This section shall identify and briefly describe the enhancement and mitigation measures proposed to enhance benefits or prevent, minimize, mitigate or compensate for adverse impacts. The cost of each mitigation and enhancement measure shall be estimated, including the cost for environmental and social capacity building. A clear budget line for the measures shall be provided in the detail cost breakdown.

Whenever applicable this section shall present initiatives proposed to complement the enhancement and mitigation measures previously described. For example, resettlement plans shall be summarized in this section, briefly presenting the number of displaced people, compensation and re-insertion measures, legal status, public consultations, implementation schedule as well as monitoring and evaluation procedures.

9 Expected Residual Effects and Environmental Hazard Management

Residual impacts shall be presented in this section. Whenever relevant, this section shall present a summary of the proposed security measures, contingency plan and analysis of potential technological accident risks (for projects with major technological accident risks).

10 Monitoring Program

This section shall summarize the surveillance and monitoring activities proposed in the Environmental and Social Management Plan prepared for the project. It shall identify the roles and responsibilities of stakeholders in the implementation as well as the estimated cost of the activities.

11 Public Consultations and Public Disclosure

This section shall outline the actions undertaken to consult the affected groups and other concerned key stakeholders including Civil Society Organizations. It shall identify the documents that were disclosed and subject to consultations. It shall also present major findings and outcomes of public consultations and specify how concerns were addressed.

12 ESMP

This section shall present management measures including actions, roles and responsibilities, timeframes, monitoring and cost of implementation.

13 Institutional Capacities and Strengthening plan:

This section shall address the institutional capacity within the project implementing agency to oversee the implementation of the ESMP.

14 Conclusion

The conclusion shall statute on the environmental and social acceptability of the project, taking into account the impacts and measures identified during the assessment process. It shall specify any need for environmental and/or social loan conditions or covenants to ensure that the project meets the Bank's requirements.

15 References and Contacts

The documents consulted to prepare the Summary shall be listed. In addition, the persons to contact for comments or further information shall be mentioned, as the Bank releases the Summary.

ANNEX 9 — FORMAT OF REPORT: ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK

Project Title:	Project Number:
Country:	Department:
Division:	Project Category:
1 Summary: This session will provide an overview of the ESMF and the purpose of the SESA.	
2 Introduction: This section shall determine the scope of the assessment (i.e. the environmental and social issues to consider), level of effort, and the tasks required to carry out the SESA and the ESMF. The section shall also outline the appropriateness of preparing an ESMF as an instrument for the management of the environmental and social safeguards issues.	
3 Description of programme operation: The aim of this section is to identify the key components of the program, policy or plan. The section shall lay out the main objectives of the program, policy or plan by identifying the anticipated economic, social or cultural changes as well as direct and indirect expected outcomes. The location and intended beneficiaries of the sub-projects shall also be described in this section.	
4 Environmental and social baseline information at the national and regional level: This section shall present a description of the existing environment, comprising the bio-physical and socio-economic conditions associated with the program, policy or plan at the national and regional level using available information resources including SESA, technical studies and other ESA studies available as reference. Key stakeholders in relation to the identified issues shall be also presented in this section.	
5 Procedures to assess potential environmental and social impacts and risks of sub-projects: The ESMF shall present the procedures that were used to assess the potential environmental and social impacts of the program, policy or plan by comparing the intended activities with the surrounding environmental and socio-cultural resources. Procedures that can be used may include information regarding the social, cultural, natural and coastal resources, etc., sourced from related literature and existing baseline conditions, visits to the sub-project site and consultation with relevant stakeholders. This section shall also present the potential positive and negative environmental and social impacts likely to arise as analyzed by the procedures mentioned above. The level of significance of the impacts should also be given.	

6 Measures to develop appropriate ESMPs for sub-projects:

Measures that will be used to develop appropriate ESMPs to ensure implementation of the ESMF at the sub-project level shall be presented in this section. These measures shall be relevant as well as take into consideration the level of significance of the potential impacts outlined in the previous section.

7 Arrangements for monitoring and sub-project supervision:

This part of the ESMF shall present the monitoring programmes that will be introduced to evaluate the effectiveness of mitigation measures administered at the sub-project level for the programme, policy or plan. The monitoring programmes should address the following:

- An evaluation of the validity of the impact predictions and strategic assessment conclusions;
- Whether the proposed measures to mitigate adverse effects and optimize benefits were actually carried out;
- An evaluation of the effectiveness of the mitigation/optimization measures;
- To what extent the PPP purpose has been achieved and to what extent the achievement is as a result of the programme, policy or plan;
- Whether the achievement is sustainable;
- Whether the achievements extend to the poorest and most marginalized levels of society;
- Identification of any further changes needed to improve environmental/social benefits of the programme, policy or plan;
- Identification of any additional strategic or project ESAs that may be needed as a result of the programme, policy or plan; and
- Lessons learned from the SESA and ESMF.

The monitoring program shall clearly define roles and responsibilities for the coordination of the monitoring system, monitoring methods and indicators, procedures for regular adjustments of policy and external communication and capacity building.

8 Arrangements for reporting:

The arrangements for reporting on the progress of the ESMF implementation shall be clearly outlined in this section including the responsibility, methods of communication, reasons for reporting, frequency of reporting results as well as the protocol to be followed when reporting.

9 Outline of proposed mitigation and enhancement measures:

This section of the ESMF shall outline the specific measures that will be considered to mitigate/ minimize moderate and major adverse impacts. With regard to negligible and minor impacts where the project activity is not expected to cause any significant impact in such cases, best practice measures and mitigation should also be recommended. Where appropriate, measures to enhance and complement the environmental and social performance of the sub-projects can be presented. Mitigation options that shall be considered may include project modification, provision of alternatives, project timing, pollution control, compensations and relocation assistance.

10 Requirements for training and capacity building to enable ESMF implementation:

The successful implementation of the ESMF depends on the commitment of project implementing unit and related institutions, the capacity within the institutions and the appropriate and functional institutional arrangements among others. Requirements for training and capacity building shall ensure appropriate environmental/social management upon implementation of the programme, policy or plan. The institutional strengthening plan should be based on the gaps in environmental and social management skills identified at the national, regional or local level during scoping, and the future needs for improved environmental and social management.

11 Conclusion:

The conclusion shall summarize the main expected environmental and social impacts and mitigation and enhancement measures that will ensure that the program/policy/plan meets the Bank's safeguards requirements. It shall also specify the environmental and/or social loan conditions or covenants that are part of the loan agreements.

12 Annexes:

- List of consulted documents, including programme-related reports.
- List of persons to be contacted.

ANNEX 10 — FORMAT OF REPORT: ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN

An Environmental and Social Management Plan (ESMP) is required for all Category 1 and 2 projects. The purpose of the ESMP is to define and reach an agreement with the project sponsor concerning mitigation/enhancement, monitoring, consultative and institutional strengthening measures to be undertaken during project implementation and operations. The ESMP shall be incorporated in the loan documents signed between the Borrower and the Bank.

The ESMP format shall be flexible to ensure the integration of project specific mitigating, enhancing and monitoring requirements. The ESMP's scope and level of details shall be proportional to the number and complexity of the measures required to ensure the project's environmental and social sustainability.

The following components constitute the minimal contents of an ESMP:

Project Title:	Project Number:
Country:	Department:
Division:	Project Category:
Starting date of implementation:	
Project completion date:	
Date of operation:	
Period covered by the plan:	
<p>1 Objectives of the ESMP</p> <p>This section shall specify that the ESMP aims to bring the project into compliance with applicable national environmental and social legal requirements and the Bank's safeguards policies and procedures. The other objective of the ESMP is to outline the mitigating/enhancing, monitoring, consultative and institutional measures required to prevent, minimize, mitigate or compensate for adverse environmental and social impacts, or to enhance the project beneficial impacts. It shall also address capacity building requirements to strengthen the Borrower's safeguards capacities if necessary. Its aim is also to specify the environmental and/or social loan conditions or covenants that are part of the project loan agreements to ensure that the project meets the Bank's safeguards requirements.</p>	

2 **Context**

The ESMP shall briefly describe project activities and major environmental and social components that will likely be affected positively or negatively by the project. The information provided shall be concise for Category 1 projects, as the ESIA Report covers in detail this topic.

For Category 2 projects, however, the context section shall be more detailed. It shall describe and analyze the physical, biological and human conditions prevailing in the project area, highlighting relevant environmental and social issues. Within the human environment, key issues that shall be considered include population characteristics and trends, green and inclusive growth and development, revenue disparities, gender differences, health problems, natural resource access and ownership, climate risk pattern, land use patterns and civil society organization level.

Moreover, the context section shall outline existing interrelations between physical, ecological and social processes. These interrelations among components shall be mentioned to be taken into account in the impact assessment and the development of mitigation/enhancement measures.

3 **Beneficial and Adverse Impacts**

This section shall focus on beneficial impacts that can be enhanced to improve the project environmental and social performance as well as on adverse impacts that require mitigation measures to be minimized or compensated. For Category 1 projects, the impact description in the ESMP shall be brief and refer to the ESIA Report for further details. For Category 2 projects, the ESMP shall clearly defined the impacts and indicate their level of importance.

4 **Enhancement/Mitigation Measures and Complementary Initiatives**

This section shall propose feasible and cost effective measures to address the impacts previously defined, in order to accrue project benefits through enhancement measures or to reduce potentially adverse environmental and social impacts to acceptable levels (mitigation measures). Each measure shall be described in detail, providing all technical information required for its implementation such as design, equipment description and operating procedures, as appropriate).

The ESMP shall integrate or at least refer to all initiatives that are proposed to improve the project environmental or social performance. As the ESIA Report completed for Category 1 projects may include such initiatives, these shall be briefly presented in this section. Moreover, these complementary initiatives shall be taken into account in determining the responsibilities, institutional arrangements, cost estimates and implementation schedule.

5 **Environmental and Social Monitoring Programme:**

A monitoring program aims to ensure that mitigation and enhancement measures are implemented, that they generate intended results and that they are modified, ceased or replaced when inappropriate. Moreover, it allows to assess compliance with national environmental and social policies and standards as well as with the Bank's policies and guidelines. A monitoring program shall include two parts: surveillance and monitoring activities.

- **Surveillance activities:** The surveillance aims to ensure that the proposed mitigation and enhancement measures are effectively implemented during the construction phase.
- **Monitoring activities:** These activities consist in measuring and evaluating the project impacts on some environmental and social components of concern and to implement remedial measures, if necessary. The program shall define as clearly as possible the indicators to be used to monitor the mitigation and enhancement measures that need to be assessed during project implementation and/or operation. The monitoring program shall also provide technical details on monitoring activities such as methods to be used, sampling locations, frequency of measurements, detection limits, and definition of thresholds that will signal the need for corrective actions.

6 **Consultations**

The implementation and monitoring of some mitigation or enhancement measures may require that consultative mechanisms be used. In such cases, the ESMP shall first identify for which measures consultations will be undertaken as well as the goals and expected outcomes of these consultations. Then the ESMP shall specify the target groups, appropriate consultative processes, consultation frequency, reporting methods and result disclosure procedures. Information on how to carry out an effective consultation is provided in the Guidance Note on Public Consultation.

7 **Responsibilities and Institutional Arrangements**

The implementation of enhancement and mitigation measures and the completion of the monitoring program require to clearly establish responsibilities among the various organizations involved in project implementation and operation. Ultimately the Borrower is responsible for monitoring and reporting on achieved results, but it may need to be assisted in the implementation of the ESMP by the project team and external consultants.

Consequently, the ESMP shall identify the responsibilities of the Bank, the Borrower, the implementing agencies and other stakeholders in applying the ESMP, particularly the monitoring program. In addition, the ESMP shall propose support to the organizations that may have insufficient capacities to fulfill their obligations. This support could be provided through various means including technical assistance, training and/or procurement.

8 Estimated Cost

This section estimates the capital and recurrent cost associated with the various proposed measures (enhancement and mitigation), the monitoring program, consultations, complementary initiatives and institutional arrangements. The cost of each mitigation and enhancement measure shall be estimated, including the cost for environmental and social capacity building. This cost shall be estimated for each identified measure and integrated into the overall project cost discussed in section 2.3 of the main appraisal report. A clear budget line for the measures shall be provided in the detail cost breakdown by category, component, foreign and local cost provided in the technical annex B2 of the Appraisal report. The total cost of the mitigation/enhancement measures shall also be provided in Annex B8 of the Appraisal report.

Whenever applicable this section shall also present initiatives proposed to complement the enhancement and mitigation measures previously described. Whenever applicable, this section shall also present the cost associated with resettlement, displacement and compensation as a result of the project. For example, resettlement or compensation plans shall be summarized in this section, briefly presenting the number of displaced people, economic activities impacted, compensation and reinsertion measures, legal status, public consultations, implementation schedule as well as monitoring and evaluation procedures.

9 Implementation Results Schedule and Reporting

The ESMP shall include a results matrix (Sample is appended to this ESMP template), an implementation schedule taking into account all activities related to the proposed measures (enhancement and mitigation), the monitoring program, consultations, complementary initiatives and institutional arrangements. Moreover, the implementation schedule shall be developed by phases and in co-ordination with the overall project implementation plan.

Reporting on the progress on the implementation of the ESMP shall be incorporated into the Implementation Progress and Results Report (IPPR) (see Annex22). The section of the IPPR that reports on ESMP implementation shall outline the result achieve and any remaining E&S outstanding issues. Also reasons for non-implementation should be given as well as remedial actions that need to be taken to rectify

10 Conclusion

The conclusion shall summarize the main expected environmental and social impacts and mitigation and enhancement measures that will ensure that the project meets the Bank's safeguards requirements. It shall also specify the environmental and/or social loan conditions or covenants that are part of the project loan agreements.

11 References and Contacts

The documents consulted to prepare the ESMP shall be listed. In addition, the persons to contact for comments or further information shall be mentioned, as the Bank releases the ESMP.

APPENDIX TO ESMP FORMAT (ANNEX 10): SAFEGUARDS RESULTS MATRIX TO BE FILLED BY PROJECT'S E&S EXPERT

E&S Risk and Impact	e.g.: Permanent removal of ~500 trees due to land clearing during construction. <i>This should be quantitatively stated to the extent possible by highlighting quantifiable aspects like the scale, frequency and duration of the impact.</i>											
E&S Management Objective	e.g.: Implementation of an Afforestation programme											
E&S Management Results	e.g.: 1000 trees planted and maintained according to specification of the local forestry agency <i>This should be quantitatively stated to the extent possible by highlighting quantifiable aspects like the scale, frequency and duration of the expected results.</i>											
Cost and Source of funding	USD 100,000 from AfDB project finance											
Target (e.g.: % per Qtr over 5 years)			10	15	20	30	40	60	80	90	100	
Status of targets (0:poor, 1:average, 2:good)			0	1	2	1	1	2	1	2	1	
Verifiable indicators and means of verification	e.g.: Number of trees planted, land area covered and the opinion of local forestry agency, Contract with seedling providers, etc											
Responsible entity	e.g.: Ugandan Road Agency											
Contractual Instrument	e.g.: Project ESMP , Loan Agreement, Contractor BOQ etc.											

ANNEX 11 — ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN (ESMP) SUMMARY

Project Title:		Project Number:	
Country:		Department:	
Division:		Project Category:	
1	Introduction		
2	Brief project description and key components		
3	Major environmental and social impacts and climate change risk		
4	Enhancement/mitigation measures and complementary initiatives		
5	Environmental and social monitoring program		
6	Public consultations and disclosure requirements		
7	Institutional arrangements and capacity building requirements		
8	Estimated costs		
9	Implementation schedule and reporting		
10	Conclusion		
11	References and contacts		

ANNEX 12 — FORMAT OF REPORT: ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)

Project Title:	Project Number:
Country:	Department:
Division:	Project Category:

<p>1 Summary</p> <p>This section shall present in a non-technical language a concise summary of the ESMS Report including the Financial Intermediary's (FI) social and environmental assessment of the proposed operation, management program, organizational capacity, training, community engagement, monitoring and reporting.</p>
<p>2 Introduction</p> <p>The introduction shall indicate the purpose of the ESMS and its needs as well as present an overview of the system that already exist or the proposed system that needs to be developed by the financial intermediary. It shall also briefly mention the contents of the ESMS report and the action plan proposed to manage the operation's impacts and risks.</p>
<p>3 FI's environmental and social policies and management commitment</p> <p>This section of the ESMS shall describe the FI's environmental and social policies that apply broadly across its organization, as well as its management's commitment. The FI's E&S policies shall ensure that measures and actions to assess identified impacts and risks as well as proposed mitigation and enhancement measures as appropriate are in place. Further to that they shall favor the avoidance and prevention of impacts over minimization, mitigation, or compensation, wherever technically and financially feasible. The FI shall be able to demonstrate its commitment to sound environmental and social management through its previous or on-going operations.</p>
<p>4 Description of proposed FI operations – nature and scale</p> <p>This part of the ESMS shall present and summarize the operation that the FI is proposing. A detailed account of the type of operation shall be given in this section, including specifics about the scale and scope of the undertaking. A breakdown of the operation's components and expected activities can be included in this section. In addition, the ESMS shall justify the engagement: purpose and needs to be fulfilled by the operation. Figures and maps, if necessary, shall be incorporated to facilitate the comprehension of the project.</p>

5 Potential environmental and social risks associated with FI operations

This section shall provide a brief description of the main physical, biological and human (social, cultural and economic) conditions prevailing in the study area. Based on the baseline conditions of the proposed operation, an analysis of beneficial and adverse impacts and risks of the undertaking shall be presented. Environmental and social significant impacts including climate risk and their importance shall be summarized and irreversible or unavoidable impacts shall be clearly identified. The analysis shall cover anticipated impacts and risks from construction phase if applicable, through to the decommissioning phase.

6 Proposed environmental and social risk management process

Where risks and impacts cannot be avoided or prevented, mitigation measures and actions will be identified to ensure compliance with applicable national laws and regulations as well as meet the Bank's safeguard policy requirements. The level of detail and complexity of this management program and the priority of the identified measures and actions will be commensurate with the operation's risks and impacts. The management process shall comprise the following:

- **Screening:** At this stage of the E&S management process, the FI shall determine E&S risk level of the operation. The criteria used to arrive at this judgment shall be outlined in this section. Examples of criteria that are commonly used include, but are not limited to the type and scale of the subprojects and their location.
- **Environmental and Social Assessment:** The FI shall conduct an integrated Environmental and Social Assessment of the potential risks and impacts of the operation, including labor, health, and safety. The Assessment process shall be based on current information, including an accurate description of the undertaking, and the appropriate social and environmental baseline data. Applicable social and environmental national and international laws and regulations of the jurisdictions in which the activities operate will also be taken into account.
- **Implementation:** In this section of the ESMS the FI shall identify specific mitigation measures and actions necessary for the operation to comply with applicable national laws, regulations and the Bank's safeguard policies. To this end the FI shall prepare an action plan that is technically feasible and cost effective in order to implement the mitigation and enhancement measures identified. These measures and actions will reflect the outcomes of consultation on social and environmental risks and adverse impacts. The action plan shall include: (i) corrective actions to be undertaken; (ii) prioritize these actions; (iii) address the time-line for their implementation; (iv) be disclosed to the affected communities; and (v) describe the schedule and mechanism for external reporting on the client's implementation of the Action Plan.
- **Monitoring and supervision:** The FI shall outline the procedures to monitor and measure the effectiveness of the management program in this section of the ESMS. For sub-projects with significant impacts that are diverse, irreversible, or unprecedented, the client will retain qualified and experienced external experts to verify its monitoring information. The extent of monitoring should be commensurate with the project's risks and impacts and with the project's compliance requirements. Monitoring shall be adjusted according to performance experience and feedback. The FI shall document monitoring results, and identify and reflect the necessary corrective and preventive actions in the amended management program. The FI shall implement these corrective and preventive actions, and follow up on these actions to ensure their effectiveness

7 ESMS implementation capacity

This section of the ESMS shall present the capacity of the FI to implement the management programme/action plan mentioned above. If applicable, the FI shall also consider the role and capacity of third parties (such as local and national governments, contractors and suppliers), to the extent that they pose a risk to the operation, recognizing that the client shall address these risks and impacts commensurate to the client's control and influence over the third party actions. This section shall include:

- **Organizational capacity:** The FI shall outline the organizational structure that defines roles, responsibilities, accountability and authority to implement the management program, including the action plan. Specific personnel including management representative(s), with clear lines of responsibility and authority shall be included in this section. Key social and environmental responsibilities shall be stated as well as methods of communication to the relevant personnel and to the rest of the organization.
- **Resources:** This part of the ESMS shall state the financial resources that the FI's management has provided on an ongoing basis to achieve effective and continuous social and environmental performance of the FI's operations. (For example, the FI shall indicate a percentage of its annual expenditure reserve to address E&S issues).
- **Expertise:** Here, the FI shall present human resources assigned by the FI for environmental and social management purposes. The number of E&S staff in the FI, their skills and knowledge as E&S officers, the analysis of their specific job functions shall be included in this section. In addition, the training that they have received in the past as well as training needs (if any with regard to the expected impacts of the proposed operation) shall be provided.

8 Conclusion

The conclusion shall summarize the main expected environmental and social impacts and mitigation and enhancement measures that will ensure that the operation meets the Bank's safeguard requirements. It shall also state briefly the management programme that shall be established to manage these impacts and risks, as well as the capacity of the FI to implement the ESMS.

9 Annexes

This section shall provide the list of documents, references, policies, laws and regulations, and baseline information consulted. It shall also provide the list of persons to be contacted.

ANNEX 13 — FORMAT OF REPORT: FULL RESETTLEMENT ACTION PLAN/ABBREVIATED RESETTLEMENT ACTION PLAN

FRAP

Project Title:	Project Number:
Country:	Department:
Division:	Project Category:
1	Description of the project, project area and area of influence General description of the project and the area of influence.
2	Potential impacts Description of the project components or activities that would give rise to resettlement, zone of impact of such activities, and the alternatives considered to avoid or minimize resettlement.
3	Organizational responsibility The institutional arrangements within the executing agency and provision of adequate resources to this institution should be discussed and all inter-agency coordination should be described. The capacity and commitment of the institution to carry out the resettlement plan should also be evaluated. If necessary, strengthening of this institution should be considered and the steps that will be taken, together with a timetable and budget, should be described at the project preparation phase. There should be considerable scope for involving the local people and NGOs in planning, implementing and monitoring resettlement.
4	Community participation A description of the consultation and participation of the displaced and hosts communities in the design and implementation of the resettlement activities including a summary of the views expressed and how these views were taken into account in preparing the resettlement plan. A review of the resettlement alternatives presented and choices made by displaced persons, including choices related to forms of compensation and resettlement assistance, to relocating as individual families or as part of pre-existing communities, and to retaining access to cultural property (e.g., places of worship, cemeteries, etc.). Description of procedures for redress of grievances by project affected people shall be accessible throughout the planning and implementation.

5 Integration with host communities

Consultations with host communities and local governments and arrangements for prompt tendering of any payments due to the hosts for land or other assets should be provided to resettlers. Arrangements for addressing any conflict that may arise between the resettlers and host communities should also be made. Appropriate measures should be taken to augment public services (e.g. education, water, health, and production) in host communities to make them comparable to services provided to resettlers.

6 Socio-economic studies

- a) A population census covering current occupants of the affected area, including the description of the production systems, household organization, baseline information on livelihoods and standards of living of the displaced population;
- b) An inventory of assets of displaced households; the magnitude of the expected loss – total or partial for individual or group assets, and the extent of physical and economic displacement;
- c) Information on disadvantaged groups or persons for whom special provisions may have to be made;
- d) Provisions to update information on the displaced people's livelihoods and standards of living at regular intervals so that the latest information is available at the time of their displacement;
- e) Description of land tenure systems, including common property and nontitle based land ownership or allocation system recognized locally and related issues;
- f) Public infrastructure and social services that will be affected; and
- g) Social and cultural characteristics of displaced communities.

7 Legal framework, including mechanisms for conflict resolution and appeal

- a) The applicable legal and administrative procedures, including a description of the remedies available to displaced persons in the judicial process, and the normal time frame for such procedures; and available alternative dispute resolution mechanisms that may be relevant to the project;
- b) Laws and regulations relating to the agencies responsible for implementing resettlement activities; and
- c) Any legal steps necessary to ensure the effective implementation of resettlement activities, including a process for recognizing claims to legal rights to land – including claims that derive from customary and traditional law and usage.

8 Institutional framework

- a) The identification of agencies responsible for resettlement activities and NGOs that may have a role in project implementation; and
- b) An assessment of the institutional capacity of such agencies and NGOs.

9 Eligibility

Definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.

10	<p>Valuation of, and compensation for losses</p> <p>a) The methodology to be used in valuing losses to determine their replacement cost; a description of the proposed types and levels of compensation under local laws and such supplementary measures to achieve replacement cost for lost assets; and</p> <p>b) A description of the packages of compensation and other resettlement measures that will assist each category of eligible displaced persons to achieve the objectives of this policy.</p>
11	<p>Identification and selection of resettlement site, site preparation and relocation</p> <p>a) Institutional and technical arrangements for identifying and preparing relocation sites, for which a combination of productive potential, locational advantages, and other factors is at least comparable to the ancillary resources;</p> <p>b) Procedures for physical relocation under the project, including timetables for site preparation and transfer;</p> <p>c) Any measures to prevent influx of ineligible persons at the selected sites; and</p> <p>d) Legal arrangements for regularizing tenure and transferring titles to resettlers.</p>
12	<p>Shelter, infrastructure and social services</p> <p>Plans to provide or finance housing, infrastructure (e.g. roads, water supply, etc.) and social services (schools, health services); plans to ensure comparable services to host populations; and any necessary site development.</p>
13	<p>Environmental protection</p> <p>An assessment of the environmental impacts of the proposed resettlement and measures to mitigate and manage the impacts.</p>
14	<p>Implementation schedules</p> <p>An implementation schedule covering all resettlement activities from preparation through implementation, including target dates for achievement of expected benefits to resettlers and hosts and terminating the various forms of assistance.</p>
15	<p>Costs and budget</p> <p>Tables indicating breakdown of cost estimates for all resettlement activities, including allowances for inflation and other contingencies; timetable for expenditures; sources of funds; and arrangements for timely flow of funds.</p>
16	<p>Monitoring and evaluation</p> <p>Arrangements for monitoring of resettlement activities by the implementing agency; supplemented by independent monitors as appropriate, to ensure complete and objective information; performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities; evaluation of the impacts of resettlement for a reasonable period of time after the resettlement activities have been completed.</p>

ARAP

Project Title:	Project Number:
Country:	Department:
Division:	Project Category:
1 Description of the project, project area and area of influence	
General description of the project and the area of influence.	
2 Potential impacts	
Description of the project components or activities that would give rise to resettlement, zone of impact of such activities, and the alternatives considered to avoid or minimize resettlement.	
3 Socio-economic studies	
The displaced people and the host population should be consulted about acceptable project alternatives and should be informed about project's potential impacts on them.	
4 Consultations	
The displaced people and the host population should be consulted about acceptable project alternatives and should be informed about project's potential impacts on them.	
5 Compensation and resettlement assistance	
Description of compensation options to be offered and other resettlement assistance to be provided should be documented and discussed with the resettlers including their preferred choice. It would be preferable to use local NGOs in this process.	
6 Grievance mechanism	
Description of procedures for redress of grievances by project affected people shall be accessible throughout the planning and implementation. The dispute settlement procedures should be sufficiently agile to resolve arguments over valuation quickly. As a result, appropriate and accessible grievance mechanisms, through informally constituted local committees with representatives from key stakeholder groups should be established to resolve any dispute arriving during the compensation procedures.	
7 Implementation schedules	
Institutional responsibilities for implementation of the resettlement plan including involvement of NGOs in monitoring the plan should be established.	
8 Costs and budget	
The schedules, budget and sources of funds should be agreed upon with the executing agency.	
9 Monitoring and evaluation	
Arrangements for monitoring of resettlement activities by the implementing agency; supplemented by independent monitors as appropriate, to ensure complete and objective information; performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities; evaluation of the impacts of resettlement for a reasonable period of time after the resettlement activities have been completed.	

ANNEX 14 — PROJECT CONCEPT NOTE READINESS-REVIEW

Project Concept Note (PCN) Readiness-Review

Section A3: to be filled by Safeguards and Compliance Div. Staff

Project Title:	SAP Code:
Country:	Department:
Division:	
Project Task Manager/Alternate Task Manager:	
Safeguards and Compliance Div. Staff Responsible for Readiness-Review:	
1	Categorization of the operation for safeguards is proposed.
2	Compliance with the Bank Group's Environmental and Social Safeguard Policies and Procedures is outlined.
3	Capacity to implement, as applicable, the Strategic Environmental and Social Assessment (SESA), Environmental and Social Impact Assessment (ESIA), and Environmental and Social Management Plan (ESMP), is assessed.

ANNEX 15 — REQUEST FOR REVIEW AND CLEARANCE OF ESA STUDIES MEMORANDUM

To be filled by Sector Departments

Project Title:	SAP Code:
Country:	Department:
Division:	Project Category (1, 2, 3 or 4(1), 4(2), 4(3)):
Project Task Manager/Alternate Task Manager:	
Date of submission:	
SESA/ESMP <input type="checkbox"/> ESIA/ESMP <input type="checkbox"/> FRAP/ ARAP <input type="checkbox"/> ESMS <input type="checkbox"/> ESMF <input type="checkbox"/> CDP or ICDP <input type="checkbox"/> (Tick Appropriate Box)	
SD Staff Responsible for ESA Summaries:	
SESA / ESMP Synopsis: <i>Including a brief description of Program-Based Operation or Regional or Sector Loan, results of the comparison of alternatives, resultant management measures, associated timeframes and institutional capacity strengthening plan.</i>	
1	ESIA / ESMP Synopsis: <i>Including a brief description of the Project, expected residual impacts, resultant management measures and associated timeframes.</i>
2	FRAP / ARAP Synopsis (if Applicable): <i>Including a brief description of resettlement impacts, compensation and livelihood restoration measures and associated implementation schedules.</i>
3	ESMS Synopsis: <i>Including a brief description of the proposed FI operations, potential environmental, social and climate change risks, proposed impact and risk management process and ESMS implementation capacity.</i>
4	ESMF Synopsis: <i>Including a brief description of the potential environmental, social and climate change impacts and risks, procedures, methodologies and management measures to ensure that the environmental, social and climate change impacts of sub-projects are addressed in an appropriate manner.</i>
5	CDP/ICDP Synopsis: <i>Including a brief description of the proposed measures and initiatives to address the concerns and improve the well beings of minorities groups, other vulnerable groups, indigenous communities and other socially disadvantaged group</i>

ANNEX 16 — CLEARANCE OF ESA STUDIES MEMORANDUM – REVIEW OF SESA/ESIA DOCUMENTS

To be filled by Safeguards and Compliance Division Staff

Project Title:	SAP Code:
Country:	Department:
Division:	Project Category:
Project Task Manager/Alternate Task Manager:	
Name of Safeguards and Compliance Division Reviewer:	
Date of Review by Safeguards and Compliance Division:	
1	Category 1/2: Has an SESA / ESMP or ESIA / ESMP been Completed / Reviewed and disclosed by the National Authorities?
2	If so provide proof of in-country disclosure data (date and means of disclosure):
3	Has the project information been adequately reflected in the document (description and justification of the project)?
4	Does the SESA/ESIA address the policy, legal and administrative framework within which it was carried out?
5	Is a description of the main physical, biological and social, cultural and economic conditions prevailing in the study area provided?
6	Has an analysis of the various project alternatives been considered?
7	What are the main impacts and risks, including magnitude and level of significance?
8	What are the cumulative impacts of the project/programme based operations?
9	What are the specific impacts on poverty, gender and / or climate change?
10	Are the enhancement and mitigation measures proposed to enhance, benefit or prevent, minimize, mitigate or compensate for adverse impacts adequate? What are the specific impacts on poverty, gender and / or climate change?
11	Has the summary of the proposed security measures, contingency plan and analysis of potential technological accident risks been provided?

12	Has the cost of mitigation measures been estimated? If yes, has the cost estimate been included into the overall project cost?
13	Has the breakdown of the ESMP cost been provided?
14	Has a summary of the surveillance and monitoring activities proposed for the project been included?
15	Were project affected persons and interested parties consulted and their opinions expressed?
16	How were the concerns of key stakeholders addressed (budgeting, design of specific activities, conflict resolution, etc...)?
17	Is an institutional capacity action plan provided?
18	Has the ESMP been prepared and the summary ready for review and clearance?
19	Has the compliance information been correctly reflected into the main Appraisal Report and its Technical Annexes? Yes or No (please elaborate). If yes and if conditions 1 to 18 above have been satisfied, please tick clearance box below and insert clearance date.
20	<p>Clearance: (Tick Appropriate Box)</p> <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>If no, advise SD accordingly:</p>
21	Clearance Date:
22	Effective Disclosure Date: Evidence of disclosure must be sent in due course to the Safeguards and Compliance Division.

ANNEX 17 — CLEARANCE OF ESA STUDIES MEMORANDUM – REVIEW OF ESMP DOCUMENT

To be filled by Safeguards and Compliance Division Staff

Project Title:	SAP Code:
Country:	Department:
Division:	Project Category:
Project Task Manager/Alternate Task Manager:	
Name of Safeguards and Compliance Division Reviewer:	
Date of Review by Safeguards and Compliance Division:	
1	Category 1/2: Has an SESA / ESMP or ESIA / ESMP been Completed / Reviewed and Disclosed by the National Authorities?
2	If so provide proof of in-country disclosure data (date and means of disclosure):
3	Provide a brief description of the project and key environmental, social and climate change components.
4	What are the major environmental, social and climate change impacts identified?
5	What are the main enhancement and mitigation measures proposed?
6	Have complementary initiatives been proposed (for example CDP/ ICDP)?
7	What are the institutional arrangements and capacity building required within the PIU for implementation of the ESMP?
8	Were key stakeholders and interested parties consulted and their opinions expressed?
9	How will the concerns of key stakeholders be addressed?
10	Has the cost of each enhancement and mitigation measure been clearly estimated, including a breakdown of the cost?
11	What is the estimated cost of overall ESMP Implementation in percentage of total project cost?

12	What are the provisions for monitoring, supervising and reporting on the implementation of proposed measures, including timeframes, indicators and responsibilities?
13	Are components of ESMP included in PAR Log Frame and project detail costing?
14	Has the compliance information been correctly reflected into the main Appraisal Report and its Technical Annexes? Yes or No (please elaborate). If yes and if conditions 1 to 13 above have been satisfied, please tick clearance box below and insert clearance date.
15	<p>Clearance: (Tick Appropriate Box)</p> <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>If no, advise SD accordingly:</p>
16	Clearance Date:
17	Effective Disclosure Date: Evidence of disclosure must be sent in due course to the Safeguards and Compliance Division.

ANNEX 18 — CLEARANCE OF ESA STUDIES MEMORANDUM – REVIEW OF ESMF DOCUMENT

To be filled by Safeguards and Compliance Division Staff

Project Title:	SAP Code:
Country:	Department:
Division:	Project Category:
Project Task Manager/Alternate Task Manager:	
Name of Safeguards and Compliance Division Reviewer of ESMF Summary:	
Date of Review by Safeguards and Compliance Division:	
1	Has an ESMF been Completed / Reviewed and disclosed by the National Authorities?
2	If so provide proof of in-country disclosure data (date and means of disclosure):
3	To what extent have the potential environmental, social and climate change impacts and risks of sub-projects been assessed?
4	What procedures were used to assess potential environmental, social and climate change impacts and risks of sub-projects?
5	What are the main measures that have been taken to develop appropriate ESMPs for Sub-Projects?
6	What are the main arrangements for monitoring, sub-project supervision and reporting on implementation (if applicable)?
7	What are the main requirements for training / capacity building to enable ESMF implementation?
8	Has the compliance information been correctly reflected into the main Appraisal Report and its Technical Annexes? Yes or No (please elaborate). If yes and if conditions 1 to 7 above have been satisfied, please tick clearance box below and insert clearance date.
9	Clearance: (Tick Appropriate Box) YES <input type="checkbox"/> NO <input type="checkbox"/> If no, advise SD accordingly:
10	Clearance Date:
11	Effective Disclosure Date: Evidence of disclosure must be sent in due course to the Safeguards and Compliance Division.

ANNEX 19 — CLEARANCE OF ESA STUDIES MEMORANDUM – REVIEW OF ESMS DOCUMENT FOR FI (CATEGORY 4)

To be filled by Safeguards and Compliance Division Staff

Project Title:	SAP Code:
Country:	Department:
Division:	Project Category:
Project Task Manager/Alternate Task Manager:	
Name of Safeguards and Compliance Division reviewer of ESMS:	
Date of Review by Safeguards and Compliance Division:	
1	Has an ESMS been Completed / Reviewed / Disclosed by the National Authorities?
2	If so provide proof of in-country disclosure data (date and means of disclosure):
3	Have the FI's environmental, social and climate change policies and management commitment being outlined in the ESMS?
4	What are the FI's environmental, social and climate change risks associated with the proposed FI operations?
5	What risk management process has been proposed to mitigate environmental, social and climate change risks, including reporting on implementation, monitoring and supervision?
6	What is the FI's capacity to implement the ESMS, in terms of resources, expertise and organizational capacity?
7	Has the compliance information been correctly reflected into the main Appraisal Report/ Note and its Technical Annexes? Yes or No (please elaborate). If yes and if conditions 1 to 5 above have been satisfied, please tick clearance box below and insert clearance date.
8	Clearance: (Tick Appropriate Box) YES <input type="checkbox"/> NO <input type="checkbox"/> If no, advise SD accordingly:
9	Clearance Date:
10	Effective Disclosure Date: Evidence of disclosure must be sent in due course to the Safeguards and Compliance Division

ANNEX 20 — CLEARANCE OF ESA STUDIES MEMORANDUM – REVIEW OF FRAP/ARAP DOCUMENT

To be filled by Safeguards and Compliance Division Staff

Project Title:	SAP Code:
Country:	Department:
Division:	Project Category:
Project Task Manager/Alternate Task Manager:	
Name of Safeguards and Compliance Division Reviewer:	
Date of Review by Safeguards and Compliance Division:	
1	Has an ARAP/FRAP been Completed / Reviewed / Disclosed by National Authorities?
2	If so provide proof of in-country disclosure data (date and means of disclosure):
3	Does the FRAP/ARAP provide a description of the project and its area of influence?
4	Does the FRAP/ARAP describe the project components that would give rise to resettlement?
5	Is the institutional arrangement within the executing agency and provision of adequate resources to this institution discussed?
6	Were comprehensive consultation meetings with communities carried out to involve stakeholders and seek their views in the design of the project?
7	Are the results of socio-economic surveys of project affected persons presented in the FRAP/ARAP?
8	Is the legal framework relating to resettlement (physical and non-physical), including mechanisms for conflict resolution and appeals provided?
9	Has the eligibility of beneficiaries and compensation for losses being established?
10	Has the methodology used in valuing losses to determine their replacement cost (including description of packages of compensation and other resettlement measures) being outlined?
11	Has the identification of alternative sites and selection of resettlement sites, site preparation and relocation been well addressed?
12	Is there a plan to provide social services and mitigate environmental, social and climate change impacts arising from the resettlement?
13	Is the implementation schedule of the FRAP/ ARAP acceptable?

14	What is the cost and budget for the implementation of the FRAP/ ARAP (in % of total cost project)?
15	Is the proposed framework for monitoring and evaluating the implementation of the FRAP/ ARAP acceptable?
16	Has the compliance information been correctly reflected into the main Appraisal Report/ Note and its Technical Annexes? Yes or No (please elaborate). If yes and if conditions 1 to 15 above have been satisfied, please tick clearance box below and insert clearance date.
17	Clearance: (Tick Appropriate Box) YES <input type="checkbox"/> NO <input type="checkbox"/> If no, advise SD accordingly:
18	Clearance Date:
19	Effective Disclosure Date: Evidence of disclosure must be sent in due course to the Safeguards and Compliance Division.

ANNEX 21 — PROJECT APPRAISAL REPORT (PAR) READINESS-REVIEW

To be filled by Safeguards and Compliance Division Staff

Project Title:	SAP Code:
Country:	Department:
Division:	Project Category:
Project Task Manager/Alternate Task Manager:	
Safeguards and Compliance Division Staff Responsible for Readiness-Review:	
1	Justification of the final categorization of the operation for safeguards.
2	Assessment of compliance with the Bank Group's Environmental and Social Safeguard Policies and Procedures.
3	Assessment of capacity to implement, as applicable, the Strategic Environmental and Social Assessment (SESA), Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Framework (ESMF), Environmental and Social Management Plan (ESMP), and Resettlement action plan (FRAP/ARAP).
4	Provision of Technical Annexes on the Environmental and Social Analysis.

ANNEX 22 — ENVIRONMENTAL AND SOCIAL CONTENT IN PROJECT APPRAISAL REPORT

The intent of this annex is to outline the environmental and social information that shall be incorporated into Section 4.6 of the PAR.

The contents on Section 4.6 shall be entered according to the project Category (in accordance with OS 1). The table below shows the specific information and questions that shall be addressed.

Note: Only applicable parts of Section 4.6 need to be filled in.

Section 4.6: Environmental and Social Impacts

For category 1 project, this section shall address the following:	
1	Has a SESA / ESMP or ESIA / ESMP been completed / reviewed?
2	Completion date:
3	Review date:
4	Has the SESA / ESMP or ESIA / ESMP summary been completed / cleared / disclosed?
5	Completion date for clearance:
6	Clearance date:
7	Disclosure date:
8	What are the main impacts and risks?
9	Are there any specific impacts on poverty and / or gender?
10	What are the main mitigation and management measures proposed in the ESMP?
11	What is the estimated cost of ESMP implementation?
12	Are components of ESMP included in the PAR log frame and project costing?
For category 2 project, this section shall address the following:	
1	Has an ESMP been completed / reviewed?
2	Completion date of ESMP:
3	Review date:
4	Has the ESMP summary been completed / cleared / disclosed?
5	Completion date:
6	Clearance date:
7	Disclosure date:
8	What are the main mitigation and enhancement measures proposed in the ESMP?
9	What is the estimated cost of ESMP implementation?
10	Are components of ESMP included in the PAR log frame and project costing?

For category 2 (Programme operations) this section shall address the following:

- 1 Has an ESMF been completed / reviewed?
- 2 Completion date of ESMF:
- 3 Review date:
- 4 Has the ESMF summary been completed / cleared / disclosed?
- 5 Completion date:
- 6 Clearance date:
- 7 Disclosure date:
- 8 What are the main measures to develop appropriate ESMPs for sub-projects?
- 9 What are the main arrangements for monitoring sub-project supervision and reporting?
- 10 What are the main requirements for training / capacity building?

For category 4 operation, this section shall address the following:

- 1 Has an ESMS been completed / reviewed / disclosed?
- 2 Completion date of the ESMS:
- 3 Review date:
- 4 Disclosure date:
- 5 Has the ESMS summary been completed / cleared?
- 6 Completion date:
- 7 Clearance date:
- 8 What are the main impacts and risks?
- 9 Are there any specific impacts on poverty and / or gender?

When a project involves resettlement and compensation, this section shall address the following:

1. Has a FRAP / ARAP been prepared / reviewed / disclosed (if applicable)?
2. Completion date of the FRAP / ARAP:
3. Review date:
4. Disclosure date:
5. What are the key resettlement issues that need to be addressed?
6. What are the main measures proposed to address these resettlement issues?

ANNEX 23 — ENVIRONMENTAL AND SOCIAL CONTENT IN IMPLEMENTATION PROGRESS AND RESULTS REPORT

The intent of this annex is to outline the environmental and social information that shall be incorporated into Section C.1 of the IPPR.

Section C.1: Compliance with Covenants

C.1b Compliance with Environmental and Social Safeguards:

Rating: The rating should be based on the number / proportion of safeguards measures implemented and completed in a timely manner:

- 4 Highly Satisfactory:** All safeguards measures – as specified in the ESMP – are expected to be met at the time of reporting.
- 3 Satisfactory:** At least 75% of safeguards measures – as specified in the ESMP – are expected to be met at the time of reporting. Minor delays in compliance (usually 6 – 12 months) are being experienced for conditions not yet met. Actions to address the issues related to unmet conditions are under implementation.
- 2 Unsatisfactory:** Between 50% and 70% of safeguards measures – as specified in the ESMP – are expected to be met at the same time of reporting. Substantial delays in compliance (usually 6 – 12 months) are being experienced for conditions not yet met. Corrective actions have to be implemented and closely monitored.
- 1 Highly Unsatisfactory:** Less than 50% of safeguard measures – as specified in the ESMP – are expected to be met at the time of reporting. Major delays in compliance (over 12 months) are being experienced for conditions not yet met. Immediate management attention is required and sanctions are envisaged.

Rating (this report):

Rating (previous report):

Assessment: The status of ESMP implementation should be described and any issues that remain outstanding should be detailed.

ANNEX 24 — FORMAT OF REPORT: SAFEGUARDS COMPLIANCE REVIEW REPORT

Project Title:	Project Number:
Country:	Department:
Division:	Project Category:
Safeguards and Compliance Division Staff member responsible for the safeguard compliance review:	
Compliance Report Review Date:	
1	Introduction and background: The introduction and background shall state the purpose and the specific objectives of the safeguards compliance review based on the Terms of Reference, as well as provide an outline of the contents of the report, the method adopted to carry out the review and the main findings of the review process.
2	Description of review methodology: This section of the report shall outline the methods that were used in conducting the safeguards compliance review including the investigations undertaken and on-site visits. It shall also mention whether consultants were hired to carry out the compliance review, given the nature and complexity of the project. The scope of the assessment including the desk review carried out, and the post mission analysis shall be given in this section.
3	Projects selected for compliance monitoring: This section of the report shall briefly describe the projects/ operations that were selected for review. Details such as the number of projects chosen, the sectors to which the projects belong including sector departments involved, the E&S category of each project, location and complexity of projects, etc, shall be provided in this section. An outline of the rationale of project selection shall also be included in this section.
4	Key E&S safeguard policy issues triggered during preparation and appraisal: The safeguard policies (Environmental Policy, the Involuntary Resettlement policy, operational safeguards) that were triggered during the project preparation and appraisal stages shall be outlined in this section. A description of the key aspects of the projects that resulted in triggering the relevant policies shall be provided in this section of the report.
5	Key elements of ESMP and/or Resettlement Action Plan (RAP): This section shall outline the key elements of the ESMP and/or the Resettlement Action Plan (FRAP/ARAP). Particular reference shall be given to mitigation measures that were identified during the environmental and social assessment process.

6	<p>Assessment of ESMP and/or Resettlement Action Plan implementation:</p> <p>This section shall provide a thorough analysis of the environmental and social performance of the project/operation during implementation. The assessment will be based on the ESMP/RAP at appraisal stage, the findings from quarterly implementation reports, regular Bank's supervision mission reports and compliance field mission carried out for the review. Illustrative tools such as figures and tables shall be incorporated in this section to present the review findings. The assessment should include the number of mitigation measures that were implemented, their extent of implementation, timeliness in the implementation of the ESMP and/or the (RAP). The extent to which previous supervision mission by the Bank monitored E&S issues.</p>
7	<p>Reasons for non-compliance:</p> <p>This section shall present the explanations and justifications for the non-compliance (if any) of the project/operations under review. The key challenges and lessons learnt from non-compliance of Bank's policies and procedures shall be described in this section.</p>
8	<p>Corrective actions and recommendations:</p> <p>Remedial action shall be proposed in this section of the report to ensure that Bank operations comply with its safeguard policies and procedures during implementation. Recommendations and lessons learnt from the review shall be made to improve project implementation as well as for future operations.</p>
9	<p>Annexes</p> <p>The annexes of the report shall include detailed Terms of References of the compliance review, a list of documents consulted, a list of stakeholders consulted.</p>

ANNEX 25 — FORMAT OF REPORT: ENVIRONMENTAL AND SOCIAL CONTENT IN PROJECT COMPLETION REPORT

Project Title:	Project Number:
Country:	Department:
Division:	Project Category:
<p>Key elements of ESMP:</p> <p>This section shall outline a brief overview of the ESMP and/or Resettlement Action Plan (FRAP/ARAP). Particular reference shall be given to mitigation measures that were proposed in order to ensure that the operation is in line with the Bank's safeguard policies.</p>	
<p>1 Assessment of ESMP implementation:</p> <p>This section shall provide a thorough analysis of the environmental and social performance rating of the project. The assessment shall be based on the ESMP/RAP prepared at the project appraisal stage. The assessment shall include: the number of mitigation measures implemented, the extent of implementation, the timeliness and the extent of compliance with the Bank's E&S safeguard policies and procedures.</p>	
<p>2 Evaluation of results of ESMP/RAP implementation:</p> <p>This section of the report shall evaluate the results of the ESMP/RAP implementation by clearly indicating the performance of all parties involved (Borrower, Bank, Contractors, Consultants, etc.) in implementing the ESMP/RAP, whilst giving reasons for successful implementation or failure thereof.</p>	
<p>3 Other environmental and social impacts not foreseen in ESMP/RAP:</p> <p>Environmental and social impacts not foreseen at the time of compiling the ESMP/RAP shall be outlined in this section. Information shall also be provided on the nature and scale of these impacts, as well as how they were mitigated or minimized.</p>	
<p>4 Lessons learned:</p> <p>Lessons drawn from managing the environmental and social issues of this project shall be described in this section.</p>	



AFRICAN DEVELOPMENT BANK GROUP

www.afdb.org

AFRICAN DEVELOPMENT BANK GROUP

Immeuble CCIA - Avenue Jean-Paul II - 01
B.P. 1387 Abidjan 01, Côte d'Ivoire

Phone: (225) 20 26 36 56

Fax: (225) 20 21 31 00

www.afdb.org



AFRICAN DEVELOPMENT BANK GROUP