

**GUIDANCE  
NOTE FOR  
BORROWERS**

**Environmental &  
Social Framework  
for IPF Operations**

**ESS1:  
Assessment and  
Management of  
Environmental  
and Social Risks  
and Impact**

*The Guidance Notes provide guidance for the Borrower on the application of the Environmental and Social Standards (ESSs), which form part of the World Bank's 2016 Environmental and Social Framework (ESF). The Guidance Notes help to explain the requirements of the ESSs; they are not Bank policy, nor are they mandatory. The Guidance Notes do not substitute for the need to exercise sound judgment in making project decisions. In case of any inconsistency or conflict between the Guidance Notes and the ESSs, the provisions of the ESSs prevail. Each paragraph of the Standard is highlighted in a box, followed by the corresponding guidance.*

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## Introduction

1. ESS1 sets out the Borrower's responsibilities for assessing, managing, and monitoring environmental and social risks and impacts associated with each stage of a project supported by the Bank through Investment Project Financing, in order to achieve environmental and social outcomes consistent with the Environmental and Social Standards (ESSs).

2. The ESSs are designed to help Borrowers to manage the risks and impacts of a project, and improve their environmental and social performance, through a risk- and outcomes-based approach. The desired outcomes for the project are described in the objectives of each ESS, followed by specific requirements to help Borrowers achieve these objectives through means that are appropriate to the nature and scale of the project and proportionate to the level of environmental and social risks and impacts.

3. Borrowers<sup>1</sup> will conduct environmental and social assessment of projects proposed for Bank financing to help ensure that projects are environmentally and socially sound and sustainable. The environmental and social assessment will be proportionate to the risks and impacts of the project. It will inform the design of the project and be used to identify mitigation measures and actions and to improve decision making.

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Footnote 1. It is recognized that the Borrower may not be the entity directly implementing the project. Nevertheless, the Borrower is responsible for ensuring that the project is prepared and implemented so that it meets all applicable requirements of the ESSs in a manner and time frame agreed upon with the Bank. The Borrower will ensure that any entity involved in implementing the project supports all obligations and commitments of the Borrower in accordance with the requirements of the ESSs and the specific conditions of the legal agreement, including the ESCP. Contractors retained by or acting on behalf of the Borrower or an implementing agency are considered to be under the direct control of the Borrower.

4. Borrowers will manage environmental and social risks and impacts of the project throughout the project life cycle in a systematic manner, proportionate to the nature and scale of the project and the potential risks and impacts.

5. In assessing, developing, and implementing a project supported by Investment Project Financing, the Borrower may, where appropriate, agree with the Bank to use all or part of the Borrower's national environmental and social framework to address the risks and impacts of the project, providing such use will enable the project to achieve objectives materially consistent with the ESSs.

6. ESS1 includes the following annexes, which form part of ESS1, and set out certain requirements in more detail:

- (a) Annex 1: Environmental and Social Assessment;
- (b) Annex 2: Environmental and Social Commitment Plan; and
- (c) Annex 3: Management of Contractors.

## Objectives

- To identify, evaluate, and manage the environment and social risks and impacts of the project in a manner consistent with the ESSs.
- To adopt a mitigation hierarchy approach to:
  - (a) Anticipate and avoid risks and impacts;
  - (b) Where avoidance is not possible, minimize or reduce risks and impacts to acceptable levels;
  - (c) Once risks and impacts have been minimized or reduced, mitigate; and
  - (d) Where significant residual impacts remain, compensate for or offset them, where technically<sup>2</sup> and financially<sup>3</sup> feasible.

- To adopt differentiated measures so that adverse impacts do not fall disproportionately on the disadvantaged or vulnerable, and they are not disadvantaged in sharing development benefits and opportunities resulting from the project.
- To utilize national environmental and social institutions, systems, laws, regulations, and procedures in the assessment, development, and implementation of projects, whenever appropriate.
- To promote improved environmental and social performance, in ways which recognize and enhance Borrower capacity.

Footnote 2. Technical feasibility is based on whether the proposed measures and actions can be implemented with commercially available skills, equipment, and materials, taking into consideration prevailing local factors such as climate, geography, demography, infrastructure, security, governance, capacity, and operational reliability.

Footnote 3. Financial feasibility is based on relevant financial considerations, including relative magnitude of the incremental cost of adopting such measures and actions compared to the project's investment, operating, and maintenance costs, and on whether this incremental cost could make the project nonviable for the Borrower.

## Scope of Application

7. ESS1 applies to all projects<sup>4,5</sup> supported by the Bank<sup>6</sup> through Investment Project Financing.<sup>7</sup>

Footnote 4. These are projects to which OP/BP10.00 Investment Project Financing applies. The World Bank Environmental and Social Policy for Investment Project Financing and ESSs do not apply to operations supported by Development Policy lending (for which the environmental and social provisions are set out in OP/BP8.60 Development Policy Lending), or those supported by Program-for-Results Financing (for which the environmental and social provisions are set out in OP/BP9.00 Program-for-Results Financing).

Footnote 5. These projects may include technical assistance supported by the Bank through Investment Project Financing, whether provided through a stand-alone project or as part of a project. The requirements set out in paragraphs 14–18 of ESS1 will be applied to technical assistance activities as relevant and appropriate to the nature of the risks and impacts. The terms of reference, work plans, or other documents defining the scope and outputs of technical assistance activities will be drafted so that the advice and other support provided is consistent with ESSs 1–10. Activities implemented by the Borrower following the completion of the project that are not financed by the Bank, or activities that are not directly related to the technical assistance, are not subject to the World Bank Environmental and Social Policy for Investment Project Financing.

Footnote 6. As set out in the World Bank Environmental and Social Policy for Investment Project Financing, paragraph 7, the Bank will only support projects that are consistent with, and within the boundaries of, the Bank's Articles of Agreement.

Footnote 7. Where the project involves the provision of a guarantee under OP 10.00, the scope of application of the ESSs will depend on the activities or commitments covered by the guarantee.

**GN7.1.** Investment Project Financing may be used by Borrowers to finance technical assistance. The formal products and documents financed by the technical assistance should apply, and be consistent with, the relevant ESSs. Technical assistance may take different forms. For example, it can be used to assist the Borrowers in preparing technical or engineering designs, environmental and social risk assessments and related plans, or feasibility studies relating to the construction of infrastructure, or for drafting policies, strategies, laws, or regulations that may have environmental or social impacts.

**GN7.2 (Footnote 5).** How the ESSs apply to Investment Project Financing technical assistance depends on the nature, purpose, and risks of the technical assistance. For example, a project might support technical assistance to prepare studies for infrastructure, such as a feasibility study, the construction of which may require acquisition of land. In this example, the feasibility study should be prepared in a manner consistent with the relevant aspects of ESS5. It is thus important for the Borrower to understand the environmental and social risks and impacts of the work that the technical assistance will support. This understanding guides the use of the relevant ESSs and the development of the technical assistance terms of reference, work plans, and outputs.

**GN7.3.** A Borrower's ability to achieve environmental or social outcomes may sometimes depend on the activities of other government agencies or third parties, such as a government agency acting as a regulator or contractual party with which the project has a substantial involvement, or the operator of an Associated Facility. The Borrower often has varying levels of control or influence over such parties. For example, the Borrower may have limited statutory or regulatory ability to influence a government agency authorized to regulate or control land on which mitigation measures or restrictions to access are required, or the operator of a power transmission line. Where possible, the environmental and social assessment of the project identifies and evaluates the potential limitations on the Borrower in this regard and considers ways to support the desired environmental and social outcomes.

8. The term “project” refers to the activities for which the Bank financing referred to in paragraph 7 is sought by a Borrower and as defined in the legal agreement between the Borrower and the Bank.<sup>8</sup>

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Footnote 8. The scope of activities for which Investment Project Finance can be provided, together with the approval process, is set out in OP 10.00.

**GN8.1.** A clear description of the activities of the proposed Investment Project Financing project provides the basis for the assessment of potential environmental and social risks and impacts and the application of the ESSs. The description of project activities may evolve during project preparation and this evolution may affect the assessment of risks and impacts. The legal agreement between the Bank and Borrower describes the activities financed by the Bank.

9. Where the Bank is jointly financing a project with other multilateral or bilateral funding agencies,<sup>9</sup> the Borrower will cooperate with the Bank and such agencies in order to agree on a common approach for the assessment and management of environmental and social risks and impacts of the project. A common approach will be acceptable, provided that such an approach will enable the project to achieve objectives materially consistent with the ESSs.<sup>10</sup> The Borrower will be required to apply the common approach to the project.

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Footnote 9. Such agencies will include IFC and MIGA.

Footnote 10. In determining whether the common approach or the requirements referred to in paragraphs 9, 12, and 13 are acceptable, the Bank will take into account the policies, standards and implementation procedures of the multilateral or bilateral funding agencies. The measures and actions that have been agreed under the common approach will be included in the ESCP.

**GN9.1.** The *common approach* is a way to describe the approach and requirements agreed by funding agencies and with the Borrower for the assessment and management of environmental and social risks and impacts of a proposed project. It aims to facilitate cooperation among the Borrower, the Bank, and other financing agencies; avoid duplication; and encourage efficient use of resources for the project. The ESCP documents the use of the common approach so that those implementing the project clearly understand which measures, responsibilities, and actions have been agreed to under the approach.

**GN9.2.** The Borrower should share with the Bank information on existing collaboration with other funding agencies on the projects for which it seeks Investment Project Financing. This allows the Bank to determine whether an already agreed-upon approach to assessment and management of environmental and social risks can enable the project to achieve objectives materially consistent with the ESSs. Depending on the significance of specific risks and impacts of the project, the development of a common approach may involve analysis that will enable such an approach to satisfy the relevant requirements of the ESSs.

10. ESS1 also applies to all Associated Facilities. Associated Facilities will meet the requirements of the ESSs, to the extent that the Borrower has control or influence over such Associated Facilities.<sup>11</sup>

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Footnote 11. The Borrower will be required to demonstrate the extent to which it cannot exercise control or influence over the Associated Facilities by providing details of the relevant considerations, which may include legal, regulatory, and institutional factors.

**GN10.1.** The nature of control or influence is complex and goes beyond a basic understanding of ownership, regulatory authority, or whether the Associated Facilities are in a foreign territory. As indicated by footnote 11, there may be reasons why a Borrower cannot exercise control or influence. For example, the entity implementing the project, such as a Ministry of Water and Sanitation, may have no control or jurisdiction over another government entity that owns or operates an Associated Facility, or the facility may be located in another country.

**GN10.2.** Where the Borrower has limited or no control or influence over other entities or third parties, the environmental and social assessment will identify these parties and their roles with respect to the Associated Facilities. The risks and impacts that the Associated Facilities, and such lack of control or influence present to the project, should be considered in the assessment of the environmental and social risks and impacts of the project (as per paragraph 32 of ESS1).

11. For the purpose of this ESS, the term “Associated Facilities” means facilities or activities that are not funded as part of the project and are: (a) directly and significantly related to the project; and (b) carried

out, or planned to be carried out, contemporaneously with the project; and (c) necessary for the project to be viable and would not have been constructed, expanded or conducted if the project did not exist.<sup>12</sup>

Footnote 12. For facilities or activities to be Associated Facilities, they must meet all three criteria.

**GN11.1.** There are many circumstances in which other facilities or activities are relevant for a project to function properly but are not funded as part of the project. In complex infrastructure projects, various facilities and activities may be required for the project to function fully, but not all of these will satisfy the definition of Associated Facilities. To be an Associated Facility, all three criteria of paragraph 11 of ESS1 should be met. Modifications and/or expansions of existing infrastructure may also be considered as an Associated Facility if they satisfy the criteria set out in paragraph 11.

**GN11.2.** *“Directly and significantly related”* means that the facilities or activities may be physically, geographically, or functionally related to the project in a direct and significant way. For example, a transmission line may be directly and significantly related to a power plant.

**GN11.3.** Facilities or activities that are *“carried out, or planned to be carried out, contemporaneously with the project,”* do not need to exist or occur in precisely the same period of time as the proposed project, but to be considered contemporaneous they need to occur within the period of project identification to project completion.

12. Where:

- (a) A common approach has been agreed upon for the project, the common approach will apply to the Associated Facilities; and
- (b) Associated Facilities are being funded by other multilateral or bilateral funding agencies, the Borrower may agree with the Bank to apply the requirements of such other agencies to the Associated Facilities, provided that such requirements will enable the project to achieve objectives materially consistent with the ESSs.

13. Where the Bank is financing a project involving a Financial Intermediary (FI), and other multilateral or bilateral funding agencies<sup>13</sup> have already provided financing to the same FI, the Borrower may agree with the Bank to rely on the requirements of such other agencies for the assessment and management of environmental and social risks and impacts of the project, including the institutional arrangements already established by the FI, provided that, such requirements will enable the project to achieve objectives materially consistent with the ESSs.

Footnote 13. For facilities or activities to be Associated Facilities, they must meet all three criteria.

**GN13.1.** ESS9 sets out the approach of the ESF to Financial Intermediaries.

## Requirements

14. The Borrower will assess, manage, and monitor the environmental and social risks and impacts of the project throughout the project life cycle so as to meet the requirements of the ESSs in a manner and within a time frame acceptable to the Bank.<sup>14</sup>

Footnote 14. In establishing the manner and an acceptable time frame, the Bank will take into account the nature and significance of the potential environmental and social risks and impacts, the timing for development and implementation of the project, the capacity of the Borrower and other entities involved in developing and implementing the project, and the specific measures and actions to be put in place or taken by the Borrower to address such risks and impacts.

**GN14.1.** ESS1 addresses the way in which the environmental and social risks of the project will be addressed by the Borrower. The aim of the requirements set out in ESS1 is to help Borrowers plan and design projects, and manage project risks and impacts in a systematic manner. Projects have different risks and impacts, and different development time frames. The assessment and management of environmental and social risks and impacts should be incorporated into the way the Borrower manages a project, and will support successful and sustainable project performance.



**GN14.2.** Each of the ESSs, including ESS1, sets out a number of objectives. The objectives describe the outcomes that each of the ESSs is intended to achieve. The Borrower is expected to design and implement the project with the aim of achieving these objectives. Application of the ESSs can assist the Borrower to address the risks and impacts of the project and achieve project outcomes that support lasting development. Each ESS sets out specific requirements that can help the Borrower to achieve the objectives in ways that reflect the nature of project risks and impacts.

**GN14.3.** In some circumstances, the Borrower will identify certain risks and impacts as part of the environmental and social assessment that are not specifically covered in the ESSs; such risks or impacts will be addressed in accordance with the mitigation hierarchy and the objectives of ESS1.

**GN14.4.** The way in which the Borrower will meet the requirements of the ESSs and the time frame for doing so will be different for each project, reflecting a range of considerations that relate to the specific details of the project. These considerations are set out in footnote 14. When properly addressed, these considerations will allow the Borrower and the Bank to agree on the manner in which the risks and impacts of the project will be assessed and managed, and their appropriate timing. The type of project, the schedule for project implementation, and the different entities that may be involved will be key factors in deciding how the requirements of the ESSs will be met.

15. The Borrower will:

- (a) Conduct an environmental and social assessment of the proposed project, including stakeholder engagement;
- (b) Undertake stakeholder engagement and disclose appropriate information in accordance with ESS10;
- (c) Develop an Environmental and Social Commitment Plan (ESCP), and implement all measures and actions set out in the legal agreement including the ESCP; and
- (d) Conduct monitoring and reporting on the environmental and social performance of the project against the ESSs.

**GN15.1.** Paragraph 15 summarizes the key responsibilities of the Borrower under the ESSs:

- (a) **Environmental and social assessment** is the process of analysis and planning used by the Borrower to identify, assess, and manage the potential environmental and social risks and impacts of a project. Mitigation measures are identified in accordance with the mitigation hierarchy, (discussed below in GN27.1–GN27.3). Paragraphs 23–35 and Annex 1 of ESS1 provide further information on environmental and social assessment.
- (b) **Stakeholder engagement** is an important aspect of developing an environmentally and socially sustainable project. ESS10 emphasizes the importance of open engagement with stakeholders and providing opportunities for stakeholders' views to be considered in the project design and during implementation. Further information on identifying stakeholders, preparing stakeholder engagement plans and undertaking information disclosure, and consultation are provided in ESS10.
- (c) The **Environmental and Social Commitment Plan (ESCP)** is a summary developed by the Borrower (with assistance from the Bank), which identifies the material measures and actions that will be carried out in an agreed time frame. Paragraphs 36–44 and Annex 2 of ESS1 provide further information on the ESCP.
- (d) **Monitoring and reporting** provide the basis for tracking performance of the project and verifying compliance with the ESCP and the requirements of the ESSs. Monitoring and reporting also help identify actions or measures that may be needed to remedy or improve the environmental and social performance of a project. The extent and mode of monitoring and reporting reflect the nature of the project and the significance of its environmental and social risks and impacts. Paragraphs 45–50 of ESS1 provide further information on monitoring and reporting.

16. Where the ESCP requires the Borrower to plan or take specific measures and actions over a specified time frame to avoid, minimize, reduce, or mitigate specific risks and impacts of the project, the Borrower will not carry out any activities in relation to the project that may cause material adverse environmental or social risks or impacts until the relevant plans, measures, or actions have been completed in accordance with the ESCP.

**GN16.1.** As discussed in connection with paragraph 15, ESS1 requires the Borrower to assess, manage, and monitor the risks and impacts of a project in a manner and time frame acceptable to the Bank. The ESCP will act as a management tool, recording the agreement with the Bank as to when and/or how specific issues will be addressed. This tool will allow the Borrower to allocate resources on the basis of agreed measures and actions as the planning and development of the project progresses.

**GN16.2.** Paragraph 16 emphasizes the importance of identifying the risks and impacts and implementing relevant mitigation measures before any project activities that could cause material adverse environmental or social risks or impacts commence. For example, if the project will create new slopes with the potential for soil erosion or landslides, the designs for mitigation measures must be complete, and necessary gray and green infrastructure must be procured so that the slopes can be stabilized before construction starts; or if an infrastructure project will generate quantities of waste, a suitable landfill is identified and a waste management plan, complete with signed contracts for logistics and management, is in place prior to the start of construction that generates the waste.

17. If the project comprises or includes existing facilities or existing activities that do not meet the requirements of the ESSs at the time of Board approval, the Borrower will adopt and implement measures satisfactory to the Bank so that specific aspects of such facilities and activities meet the requirements of the ESSs in accordance with the ESCP.

**GN17.1.** Where a project includes facilities or activities that already exist, such as a project to rehabilitate a pollution control facility (for example, a wastewater treatment plant) or to improve existing transport infrastructure, these facilities or activities should be reviewed to determine the extent to which they can be brought in line with the requirements of the ESSs. The review should focus on those aspects that present the most significant risks, taking into account the extent to which implementing specific measures will be technically and financially feasible. Any measures identified by the Borrower should be incorporated into the ESCP.

**GN17.2.** Determining the measures required to achieve the requirements of the ESSs may involve an audit of the environmental or social aspects of an existing facility. The audit should review the main environmental and social impacts and the existing mitigation measures. It should establish a baseline for the implementation of corrective actions. In circumstances where it is not possible to implement mitigation measures, the audit should assess the ongoing impacts. Any required measures identified through the audit should be incorporated into the ESCP.

18. The project will apply the relevant requirements of the Environmental Health and Safety Guidelines (EHSs). When host country requirements differ from the levels and measures presented in the EHSs, the Borrower will be required to achieve or implement whichever is more stringent. If less stringent levels or measures than those provided in the EHSs are appropriate in view of the Borrower's limited technical or financial constraints or other specific project circumstances, the Borrower will provide full and detailed justification for any proposed alternatives through the environmental and social assessment. This justification must demonstrate, to the satisfaction of the Bank, that the choice of any alternative performance level is consistent with the objectives of the ESSs and the applicable EHSs, and is unlikely to result in any significant environmental or social harm.

## **A. Use of Borrower's Environmental and Social Framework**

19. When a project is proposed for Bank support, the Borrower and the Bank will consider whether to use all, or part, of the Borrower's ES Framework in the assessment, development, and implementation of a project. Such use may be proposed provided this is likely to address the risks and impacts of the project, and enable the project to achieve objectives materially consistent with the ESSs.

**GN19.1.** Use of a Borrower's Environmental and Social (ES) Framework aims to strengthen the Borrower's approach to managing environmental and social risks and impacts. Where environmental and social risks and impacts are assessed and managed through national processes and requirements, they enhance ownership and capacity; build institutions over the long term; encourage upward harmonization of laws, policies, and standards; and provide opportunities for collaboration and learning. They also help to avoid duplication of Borrower and Bank requirements.

20. If the Borrower and the Bank propose to use all, or part, of the Borrower's ES Framework, the Bank will review the Borrower's ES Framework<sup>15</sup> in accordance with the requirement of paragraph 19. The Borrower will provide information to the Bank in connection with the assessment.<sup>16</sup>

Footnote 15. The Borrower's ES Framework will include those aspects of the country's policy, legal, and institutional framework, consisting of its national, subnational, or sectoral implementing institutions and applicable laws, regulations, rules, and procedures and implementation capacity relevant to the environmental and social risks and impacts of the project. Where there are inconsistencies or lack of clarity within the Borrower's ES Framework as to relevant authorities or jurisdiction, these will be identified and discussed with the Borrower. The aspects of the Borrower's existing ES Framework that are relevant will vary from project to project, depending on such factors as the type, scale, location, and potential environmental and social risks and impacts of the project and the role and authority of different institutions.

Footnote 16. The information provided by the Borrower will assist in determining whether and to what extent the Borrower's ES Framework can be used to enable the project to address the risks and impacts of the project, and achieve objectives materially consistent with the ESSs. The Borrower will provide to the Bank recent studies and assessments conducted by the Borrower or reputable third parties, including on other projects developed in the country, to the extent these are relevant to the proposed project.

**GN20.1.** If it is proposed to use the Borrower's ES Framework, the Bank conducts its own assessment of the relevant aspects of the Borrower's ES Framework. The assessment is conducted in reference to the proposed project and considers whether using the Borrower's ES Framework is likely to address the environmental and social risks and impacts of the project, support the design and implementation of mitigation measures consistent with the mitigation hierarchy, and enable the project to achieve objectives materially consistent with the ESSs. Depending on the significance of specific risks and impacts of the project, the Bank's assessment may involve a more detailed analysis against the relevant specific requirements of the ESSs. The Bank discloses a summary of the key findings from its assessment on the Bank's website.

**GN20.2.** The scope of the assessment, and the aspects of the Borrower's ES Framework to be reviewed, vary from project to project, depending on relevant factors including the type, scale, and complexity of the project and its potential environmental and social risks and impacts (including, but not limited to, those identified in the ESSs). The approach to assessing Borrowers' ES Frameworks will reflect different country and project contexts. The assessment would consider the following, among other things, based on information available to the Bank, including material the Bank may request in order to make a decision:

- (a) The country's policy, legal, and institutional framework, as these are relevant to the specific environmental and social risks and impacts of the project;
- (b) Laws, regulations, rules, and procedures (including permits and approval requirements) applicable to the project, including regional and local requirements that are relevant to the environmental and social risks and impacts of the project;
- (c) Inconsistencies, lack of clarity, or conflict as to relevant authorities or jurisdiction, including differences between national and regional/local authorities or jurisdictions;
- (d) Previous experience with the Bank or other multilateral or bilateral financing agencies and the performance of the Borrower and the national, subnational, sectoral, and local institutions involved in the preparation and/or implementation of similar previous projects; and
- (e) Technical and institutional capacity of the Borrower and relevant national, subnational, or sectoral implementing institutions or agencies related to the preparation and implementation of the project.

**GN20.3.** To inform the assessment, as well as the design of measures needed to address any identified gaps, the Bank consults with relevant stakeholders, including those identified with input from the Borrower. This will include discussions with government officials and other development partners, and engagement with civil society and project-affected people. The purpose of this is to inform the Bank's assessment of the Borrowers ES Framework and the design of measures and actions to address any gaps that may be identified. This process will focus not only on legislation, but also on how the framework operates in practice, as well as experience of other projects.

**GN20.4.** While each assessment is specific to the proposed project, it also takes into account available information regarding the Borrower's ES Framework that is relevant to the proposed project, including assessments from previous projects or analytical work. Where the Bank has conducted an overview assessment of the Borrower's existing policy, legal, and institutional framework for addressing environmental and social risks and impacts, the Bank may take the conclusions of such assessment into account, providing it is still applicable to the Borrower's ES Framework, pertinent to the project under preparation, and the Bank is not aware of any material change to the conclusions reached.

21. If the assessment identifies gaps in the Borrower's ES Framework, the Borrower will work with the Bank to identify measures and actions to address such gaps. Such measures and actions may be implemented during project preparation or project implementation and will include, where necessary,

measures and actions to address any capacity development issues pertaining to the Borrower; any relevant national, subnational, or sectoral implementing institution; and any implementing agency. The agreed measures and actions, together with the time frames for their completion, will form part of the ESCP.

22. The Borrower will take all actions necessary to maintain the Borrower's ES Framework, as well as acceptable implementation practices, track record, and capacity, in accordance with the measures and actions identified in the ESCP, throughout the project life cycle. The Borrower will notify and discuss with the Bank any significant changes in the Borrower's ES Framework that may affect the project.<sup>17</sup> If the Borrower's ES Framework is changed in a manner inconsistent with the requirement of paragraph 19 and the ESCP, the Borrower will carry out, as appropriate, additional assessment and stakeholder engagement in accordance with the ESSs, and propose changes, for approval by the Bank, to the ESCP.

Footnote 17. If, in the opinion of the Bank, such changes serve to improve the Borrower's ES Framework, the Borrower will apply such changes to the project.

**GN22.1.** Footnote 17 recognizes that it may not always be possible or appropriate to apply the improvements to the project, particularly in cases where this would require material changes in the design of the project or agreed mitigation measures. Any changes will be considered on a case-by-case basis in discussion with the Borrower.

## B. Environmental and Social Assessment

23. The Borrower will carry out an environmental and social assessment<sup>18</sup> of the project to assess the environmental and social risks and impacts of the project throughout the project life cycle.<sup>19</sup> The assessment will be proportionate to the potential risks and impacts of the project, and will assess, in an integrated way, all relevant direct,<sup>20</sup> indirect,<sup>21</sup> and cumulative<sup>22</sup> environmental and social risks and impacts throughout the project life cycle, including those specifically identified in ESSs2–10.

Footnote 18. The Borrower, in consultation with the Bank, will identify and use appropriate methods and tools, including scoping, environmental and social analyses, investigations, audits, surveys, and studies, to identify and assess the potential environmental and social risks and impacts of the proposed project. These methods and tools will reflect the nature and scale of the project and will include, as appropriate, a combination (or elements of) the following: environmental and social impact assessment (ESIA); environmental audit; hazard or risk assessment; social and conflict analysis; environmental and social management plan (ESMP); environmental and social management framework (ESMF); regional or sectoral EIA; strategic environmental and social assessment (SESA). Specific features of a project may require the Borrower to utilize specialized methods and tools for assessment, for example a Cultural Heritage Management Plan. Where the project is likely to have sectoral or regional impacts, a sectoral or regional EIA will be required.

Footnote 19. This may include preconstruction, construction, operation, decommissioning, closure, and reinstatement/restoration.

Footnote 20. A direct impact is an impact which is caused by the project and occurs contemporaneously in the location of the project.

Footnote 21. An indirect impact is an impact which is caused by the project and is later in time or farther removed in distance than a direct impact, but is still reasonably foreseeable, and will not include induced impacts.

Footnote 22. The cumulative impact of the project is the incremental impact of the project when added to impacts from other relevant past, present, and reasonably foreseeable developments, as well as unplanned but predictable activities enabled by the project that may occur later or at a different location. Cumulative impacts can result from individually minor but collectively significant activities taking place over a period of time. The environmental and social assessment will consider cumulative impacts that are recognized as important on the basis of scientific concerns and/or reflect the concerns of project-affected parties. The potential cumulative impacts will be determined as early as possible, ideally as part of project scoping.

**GN23.1.** The Borrower should begin the environmental and social assessment as early as possible in project identification and preparation. The assessment should identify the environmental and social risks and impacts of a project in an integrated manner and inform project design. The environmental and social assessment will include stakeholder engagement as an integral part of the assessment, in accordance with ESS10.

**GN23.2.** Environmental and social risks and impacts may vary at different stages of the project, depending on the activities that are being conducted. The environmental and social assessment should consider each stage and identify the related environmental and social risks and impacts and their appropriate mitigation measures.

**GN23.3.** Different methods and tools can be used to identify and assess the environmental and social risks and impacts of a project. These can vary depending on the baseline data available and the nature and significance of the environmental and social risks and impacts. Footnote 18 and Annex 1 of ESS1 identify methods and tools that are commonly used.

**GN23.4.** The Borrower will ensure that the assessment identifies the potential environmental and social risks and impacts of the project. It identifies the mitigation and management measures to be taken during the implementation of the project to address the risks and impacts in accordance with the mitigation hierarchy discussed in paragraph 27, together with any residual impacts that cannot be mitigated. The assessment will also identify responsibility for implementing the mitigation measures and identify any capacity or other concerns that need to be addressed.

**GN23.5 (Footnote 21).** Indirect and cumulative impacts must be considered if they are reasonably foreseeable. Impacts that are merely possible, or that are considered “speculative,” are not reasonably foreseeable. Only those effects that are likely, or foreseeable, or reasonably foreseeable need to be discussed. The terms “likely” and “foreseeable,” as applied to impacts, are properly interpreted as meaning that the impact is sufficiently likely to occur so that a person of ordinary good judgment would take it into account in reaching a decision. Borrowers are not expected to assess or mitigate induced impacts due to their unknown, speculative, uncertain, or remote nature.

**GN23.6 (Footnote 22).** Cumulative impacts result from the incremental impacts of the project when added to other existing, planned, and reasonably predictable future projects and developments within the area of the project. Examples of cumulative impacts include effects on ambient conditions such as incremental contribution of pollutant emissions in an airshed, increase in pollutant concentrations in a water body, in soil or sediments or bioaccumulation; reduction of water flow in a watershed due to multiple withdrawals, increases in sediment loads to a watershed or increased erosion; interference with migratory routes or wildlife movement, increased pressure on the carrying capacity or the survival of indicator species in a given ecosystem, wildlife population reduction due to increased hunting, or more traffic congestion and accidents along roadways due to increases in transport activity.

**GN23.7.** Where the project involves specifically identified physical elements, aspects, and facilities that are likely to generate impacts, the risks and impacts identification process should include an assessment of the combined effects of the multiple components associated with the project (for example, quarries, roads, associated facilities). In situations where multiple subprojects occur in or are planned for the same geographic area, as described above, it may also be appropriate for the Borrower to conduct a Cumulative Impact Assessment (CIA) as part of the risks and impacts identification process.

24. The environmental and social assessment will be based on current information, including an accurate description and delineation of the project and any associated aspects, and environmental and social baseline data at an appropriate level of detail sufficient to inform characterization and identification of risks and impacts and mitigation measures. The assessment will evaluate the project's potential environmental and social risks and impacts; examine project alternatives; identify ways of improving project selection, siting, planning, design, and implementation in order to apply the mitigation hierarchy for adverse environmental and social impacts and seek opportunities to enhance the positive impacts of the project. The environmental and social assessment will include stakeholder engagement as an integral part of the assessment, in accordance with ESS10.

25. The environmental and social assessment will be an adequate, accurate, and objective evaluation and presentation of the risks and impacts, prepared by qualified and experienced persons. For High and Substantial Risk projects, as well as situations in which the Borrower has limited capacity, the Borrower will retain independent specialists to carry out the environmental and social assessment.

**GN25.1.** It is important that independent specialists engaged for the assessment have the relevant technical expertise, competency, and substantive experience in projects with similar environmental and social risks and impacts. It is also appropriate to engage independent specialists to undertake the parts of an assessment that address specific risks and impacts of concern, such as biodiversity or resettlement, and/or where the Borrower may lack the technical capacity or track record for such assessment.

**GN25.2.** “Independent” means that specialists are able to provide professional, objective, and impartial advice, without consideration of future work, and avoid conflicts with other assignments or their own business or personal interests. Such independence supports the objectivity of the environmental and social assessment, without regard to vested interests and without reason to influence the outcome of the assessment. In certain circumstances where specialists have been involved in the preparation, design, and implementation of the project (for example, early feasibility studies), the specialists may still be engaged to conduct the assessment if the Borrower can demonstrate to the satisfaction of the Bank that there is no conflict of interest, and that to engage such specialists would be of benefit for the assessment.

26. The Borrower will ensure that the environmental and social assessment takes into account in an appropriate manner all issues relevant to the project, including: (a) the country's applicable policy

framework, national laws, and regulations, and institutional capabilities (including implementation) relating to environment and social issues; variations in country conditions and project context; country environmental or social studies; national environmental or social action plans; and obligations of the country directly applicable to the project under relevant international treaties and agreements; (b) applicable requirements under the ESSs; and (c) the EHSs and other relevant Good International Industry Practice (GIIP).<sup>23</sup> The assessment of the project, and all proposals contained in the assessment, will be consistent with the requirements of this paragraph.

Footnote 23. GIIP is defined as the exercise of professional skill, diligence, prudence, and foresight that would reasonably be expected from skilled and experienced professionals engaged in the same type of undertaking under the same or similar circumstances globally or regionally. The outcome of such exercise should be that the project employs the most appropriate technologies in the project-specific circumstances.

**GN26.1.** Consideration of national law requirements as they relate to the design and implementation of the project, including the identification of mitigation measures, is particularly important. Where the Borrower has entered into international obligations or treaties that are directly applicable to the project, the assessment should consider the way in which these obligations and how they apply in the proposed project could inform project design and implementation.

**GN26.2.** Sometimes Borrowers have begun to prepare a project prior to the Bank's involvement, and, as a result, environmental and social assessments may have already been conducted, and environmental and social risk management documents (such as an environmental management plan) have been prepared and approved by national authorities. In such cases, the Bank would review the environmental and social assessment process and related documents for consistency with the relevant ESS requirements and would help the Borrower to address any gaps with the ESS requirements, such as through the preparation of supplemental assessments, focused studies, or additional environmental and social documentation.

27. The environmental and social assessment will apply a mitigation hierarchy,<sup>24</sup> which will:

- (a) Anticipate and avoid risks and impacts;
- (b) Where avoidance is not possible, minimize or reduce risks and impacts to acceptable levels;
- (c) Once risks and impacts have been minimized or reduced, mitigate;<sup>25</sup> and
- (d) Where significant residual impacts remain, compensate for or offset them, where technically and financially feasible.<sup>26</sup>

Footnote 24. The mitigation hierarchy is further discussed and specified in the context of ESSs 2–10, where relevant.

Footnote 25. The requirement to mitigate impacts may include measures to assist affected parties to improve or at least restore their livelihoods, as relevant, in a particular project setting.

Footnote 26. The Borrower will make reasonable efforts to incorporate the costs of compensating and/or offsetting for the significant residual impacts as part of project costs. The environmental and social assessment will consider the significance of such residual impacts, the long-term effect of these on the environment and project-affected people, and the extent to which they are considered reasonable in the context of the project. Where it is determined that it is not technically or financially feasible to compensate or offset for such residual impacts, the rationale for this determination (including the options that were considered) will be set out in the environmental and social assessment.

**GN27.1.** The mitigation hierarchy represents a systematic and sequenced approach to managing the potential risks and impacts of the project and includes actions for: (a) avoiding adverse risks and impacts and enhancing positive impacts and benefits to communities and the physical environment, to the greatest extent feasible; (b) minimizing adverse risks and impacts that cannot be avoided; (c) remedying or mitigating the residual adverse risks and impacts to an acceptable level; and (d) compensating or offsetting for those residual risks and impacts that cannot be remedied. Knowledge about previous assessments on similar projects, success or failure of the relevant mitigation measures, and consultations with local communities to understand local context will be useful in designing an acceptable mitigation hierarchy.

**GN27.2.** The Borrower needs to start developing the mitigation hierarchy early in the project cycle, by including the environmental and social specialists in the project feasibility and design teams. The mitigation hierarchy is further discussed and specified in the context of ESSs 2–8, where relevant.

**GN27.3.** As a general principle, the environmental and social assessment should incorporate the following:

- **Step 1: Anticipation and Avoidance:** Avoidance is the most preferred form of mitigation. As a first step, the environmental and social assessment will identify and evaluate technically and financially feasible alternatives (including location, technology, and or alignment options). When determining technical and financial feasibility of alternatives, both cost and benefits should be considered. The evaluation should impact on project design enabling the Borrower to choose alternatives that anticipate and avoid adverse environmental and social risks and impacts. (See Annex 1 Section D(g) for more information on analysis of alternatives and ESSs 2–8 for additional requirements on avoidance.)
- **Step 2: Minimization:** Where avoidance is not possible, the environmental and social assessment will identify specific actions to minimize or reduce adverse environmental and social risks and impacts that are likely to arise throughout the project life cycle. For example, this could include reducing the physical footprint of a project; reducing impacts on the climate by choosing alternatives with lower carbon emissions; or selecting infrastructure, equipment, and technology options that support efficient use of resources (including energy, water, and raw materials) and reduce generation of wastes throughout the project life cycle.
- **Step 3: Mitigation:** To manage the residual risks and adverse impacts (after the avoidance and minimization steps), the environmental and social assessment will identify mitigation measures by establishing specific actions to ensure the project will meet the requirements of applicable ESSs 1–8 and comply with relevant national laws and regulations. In case of existing facilities, these actions will include measures to rectify the prevailing risks and adverse impacts identified in the environmental and social audits or due diligence reports. All these measures, including a suite of other thematic plans or mitigation measures required under other applicable ESSs (for example, Resettlement Plans, Indigenous Peoples/Sub-Saharan African Historically Under-served Traditional Local Community Plans, Biodiversity Management Plans, and so forth), normally form part of the environmental and social management plan (ESMP) for the project. See Annex 1 Section E “Indicative Outline of ESMP” for more details. Any compensation under ESS5 falls within this third step.
- **Step 4: Offset or Compensation:** Where avoidance, minimization, or mitigation is not adequate to manage significant adverse risks and impacts, it may be appropriate to design and implement measures that compensate/offset for residual risks and impacts. These measures do not necessarily eliminate the identified adverse risks and impacts, but they seek to offset them with comparable positive ones. Environmental offsets are a cost-effective way to ensure that even though damage will occur, there is compensation for that damage. Even within environmental offsets, there is a hierarchy that is followed. **Restoration, creation, enhancement, and preservation** comprise this hierarchy (the last two measures particularly concern habitats that are under severe threat of extinction/degradation).

**GN27.4.** If, as part of the environmental and social assessment, a project site, design, or technology is proposed that has higher environmental or social risks and impacts than other technically and/or financially feasible options, the rationale and decision for selecting it is documented in the environmental and social assessment, for example, through an economic cost-benefit analysis.

28. The environmental and social assessment, informed by the scoping of the issues, will take into account all relevant environmental and social risks and impacts of the project, including:

- (a) Environmental risks and impacts, including: (i) those defined by the EHSs; (ii) those related to community safety (including dam safety and safe use of pesticides); (iii) those related to climate change and other transboundary or global risks and impacts; (iv) any material threat to the protection, conservation, maintenance, and restoration of natural habitats and biodiversity; and (v) those related to ecosystem services<sup>27</sup> and the use of living natural resources, such as fisheries and forests; and
- (b) Social risks and impacts, including: (i) threats to human security through the escalation of personal, communal, or interstate conflict, crime, or violence; (ii) risks that project impacts fall disproportionately on individuals and groups who, because of their particular circumstances, may be disadvantaged or vulnerable;<sup>28</sup> (iii) any prejudice or discrimination toward individuals or groups in providing access to development resources and project benefits, particularly in the case of those who may be disadvantaged or vulnerable; (iv) negative economic and social impacts relating to the involuntary taking of land or restrictions on land use; (v) risks or impacts associated with land and natural resource tenure and use,<sup>29</sup> including (as relevant) potential project impacts on

local land use patterns and tenurial arrangements, land access and availability, food security and land values, and any corresponding risks related to conflict or contestation over land and natural resources; (vi) impacts on the health, safety, and well-being of workers and project-affected communities; and (vii) risks to cultural heritage.

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Footnote 27. Ecosystem services are the benefits that people derive from ecosystems. Ecosystem services are organized into four types: (a) provisioning services, which are the products people obtain from ecosystems and which may include food, freshwater, timbers, fibers, medicinal plants; (b) regulating services, which are the benefits people obtain from the regulation of ecosystem processes and which may include surface water purification, carbon storage and sequestration, climate regulation, protection from natural hazards; (c) cultural services, which are the nonmaterial benefits people obtain from ecosystems and which may include natural areas that are sacred sites and areas of importance for recreations and aesthetic enjoyment; and (d) supporting services, which are the natural processes that maintain the other services and which may include soil formation, nutrient cycling, and primary production.

Footnote 28. Disadvantaged or vulnerable refers to those who may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project's benefits. Such an individual/group is also more likely to be excluded from/unable to participate fully in the mainstream consultation process and as such may require specific measures and/or assistance to do so. This will take into account considerations relating to age, including the elderly and minors, and including in circumstances where they may be separated from their family, the community or other individuals upon which they depend.

Footnote 29. Due to the complexity of tenure issues in many contexts, and the importance of secure tenure for livelihoods, careful assessment and design are needed to help ensure that projects do not inadvertently compromise existing legitimate rights (including collective rights, subsidiary rights, and the rights of women) or have other unintended consequences, particularly where the project supports land titling and related issues. In such circumstances, the Borrower will at a minimum demonstrate to the Bank's satisfaction that applicable laws and procedures, along with project design features (a) provide clear and adequate rules for the recognition of relevant land tenure rights; (b) establish fair criteria and functioning, transparent, and participatory processes for resolving competing tenure claims; and (c) include genuine efforts to inform affected people about their rights and provide access to impartial advice.

**GN28.1.** The Borrower should consider, in the environmental and social assessment, in an appropriate manner, the full scope of risks and impacts that may arise in connection with the project. While consideration should be given to the risks and impacts identified in paragraph 28 and ESSs 2–10, the Borrower, through the environmental and social assessment, should also scope the project to identify risks and impacts that are not covered in ESSs 1–10, but may be specific to the proposed project. Annex 1 of this ESS provides further details on the way in which the environmental and social assessment should be conducted, and identifies different methods and tools that may be used.

**GN28.2.** The scoping of the project should identify the extent and complexity of potential environmental and social risks and impacts, and the socioeconomic characteristics of people in the project area.

**GN28.3.** For those projects where the initial scoping indicates significant adverse environmental and social impacts, the environmental and social assessment should focus on generating appropriate environmental and social baseline data, identifying and analyzing impacts, and developing appropriate mitigation measures. Baseline information collection should describe the relevant existing conditions, such as the physical, biological, socioeconomic, and cultural resources. From the socioeconomic perspective, the Borrower should ensure that baseline information is accurate and up-to-date, as rapidly changing situations, such as in-migration of people in anticipation of a project or lack of data on disadvantaged and vulnerable groups within a community, can affect the efficacy of social mitigation measures. Socioeconomic studies that are conducted by the Borrower may be used to: (a) understand the characteristics and dynamics of the project area; (b) establish the conditions of the people that will be affected by the project; (c) identify events, including potential for conflict, that could affect the adequate implementation of the project; and (d) identify opportunities for enhancing project development benefits.

**GN28.4.** Any limitations on data, such as the extent and quality of available data, assumptions, and key data gaps, should be clearly identified and documented. Where the project involves specifically identified physical elements, aspects, and facilities that are likely to generate impacts, the collection and analysis of environmental and social baseline information and data, at an appropriate level of detail for the project, are essential to define the project's area of influence and describe relevant physical, biological, ecological, socioeconomic, health, and labor conditions, including any changes anticipated to occur in the foreseeable future (including projected variability in climatic and environmental conditions due to potentially significant climate change or that would require adaptation measures that could occur over the life of the project), along with current and proposed development activities within the general project area but not directly connected to the project to be financed. The baseline information-gathering phase is an important and often necessary step to enable the determination of the potential risks and impacts of a project. If the initial scoping process concludes that a project will have no or minimal potential risks and adverse impacts, the Borrower will document this scoping process and its conclusions.



29. Where the environmental and social assessment of the project identifies specific individuals or groups as disadvantaged or vulnerable, the Borrower will propose and implement differentiated measures so that adverse impacts do not fall disproportionately on the disadvantaged or vulnerable, and they are not disadvantaged in sharing any development benefits and opportunities resulting from the project.

**GN29.1.** The Borrower should design projects on an inclusive basis, so that all project-affected parties benefit in an equitable manner from the project. Paragraph 29 focuses on ways to deliver this inclusive approach, recognizing that there may be individuals or groups who, because of their particular circumstances, could experience adverse impacts from the proposed project more severely than others. The risks and impacts identification process should use accepted social development methods to identify disadvantaged or vulnerable individuals or groups within the project-affected parties, where possible collecting data on a disaggregated basis. The Borrower should assess potential impacts, including differentiated impacts, on these individuals and groups and propose specific, and if necessary separate, measures in consultation with them to mitigate the potential risks and impacts.

30. For projects involving multiple small subprojects<sup>30</sup> that are identified, prepared, and implemented during the course of the project, the Borrower will carry out appropriate environmental and social assessment of subprojects, and prepare and implement such subprojects, as follows:

- (a) High-risk subprojects, in accordance with the ESSs;
- (b) Substantial-risk, moderate-risk, and low-risk subprojects, in accordance with national law and any requirements of the ESSs that the Bank deems relevant to such subprojects.<sup>31</sup>

Footnote 30. Paragraphs 30 to 31 apply to a Bank-supported project with multiple small subprojects, as in the case of community-driven development projects, projects involving matching grant schemes, or similar projects designated by the Bank. These provisions do not apply to FI subprojects which are addressed in ESS9.

Footnote 31. Where subprojects are likely to have minimal or no adverse environmental or social risks and impacts, such subprojects do not require further environmental and social assessment following the initial scoping.

31. If the risk rating of a subproject increases to a higher risk rating, the Borrower will apply the relevant requirements of the ESSs,<sup>32</sup> and the ESCP will be updated as appropriate.

Footnote 32. The 'requirements of the ESSs' will relate to the reasons for which the risk rating has increased.

32. The environmental and social assessment will also identify and assess, to the extent appropriate, the potential environmental and social risks and impacts of Associated Facilities. The Borrower will address the risks and impacts of Associated Facilities in a manner proportionate to its control or influence over the Associated Facilities. To the extent that the Borrower cannot control or influence the Associated Activities to meet the requirements of the ESSs, the environmental and social assessment will also identify the risks and impacts the Associated Facilities may present to the project.

33. For projects that are high risk or contentious, or that involve serious multidimensional environmental or social risks or impacts, the Borrower may be required to engage one or more internationally recognized independent experts. Such experts may, depending on the project, form part of an advisory panel or be otherwise employed by the Borrower, and will provide independent advice and oversight to the project.<sup>33</sup>

Footnote 33. This requirement relates to independent advice and oversight of such projects, and is not related to circumstances in which the Borrower will be required to retain independent specialists to carry out environmental and social assessment, set out in paragraph 25.

**GN 33.1.** Paragraph 33 refers to the engagement of internationally recognized independent experts in circumstances in which there is a need for a higher degree of independent advice to a project. The Bank and the Borrower work together to agree on the appropriate form that such independent advice and oversight could take, as well as the terms of reference for the assignment and the expertise and qualifications needed. For the definition of independent, see GN25.2.

34. The environmental and social assessment will also consider risks and impacts associated with the primary suppliers<sup>34</sup> as required by ESS2 and ESS6. The Borrower will address such risks and impacts in a manner proportionate to the Borrower's control or influence over its primary suppliers as set out in ESS2 and ESS6.

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Footnote 34. Primary suppliers are those suppliers who, on an ongoing basis, provide directly to the project goods or materials essential for the core functions of the project. Core functions of a project constitute those production and/or service processes essential for a specific project activity without which the project cannot continue.

**GN34.1.** The requirements in paragraph 34 regarding primary suppliers apply to ongoing, extended contractual relationships between the project and the supplier, through which the Borrower has the potential to influence the supplier's operational practices. The environmental and social assessment should consider the nature and potential sources of goods and materials that are required for critical project activities. This may include, for example, timber for railroad ties, or gravel and asphalt for road construction.

**GN34.2.** Primary suppliers in relation to labor and biodiversity are discussed in ESS2 (paragraphs 27–29) and ESS6 (paragraph 30) and their respective accompanying Guidance Notes.

35. The environmental and social assessment will consider potentially significant project related transboundary and global risks and impacts, such as impacts from effluents and emissions, increased use or contamination of international waterways, emissions of short- and long-lived climate pollutants,<sup>35</sup> climate change mitigation, adaptation and resilience issues, and impacts on threatened or depleted migratory species and their habitats.

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Footnote 35. This includes all greenhouse gases (GHGs) and black carbon (BC).

**GN35.1.** Transboundary impacts are impacts that extend beyond the border of the country in which the project is located, but are not necessarily global in nature. Examples include air or water pollution extending to the airshed or watershed of neighboring or surrounding countries and the pollution of transboundary or international waterways.

## C. Environmental and Social Commitment Plan

36. The Borrower will develop and implement an ESCP, which will set out measures and actions required for the project to achieve compliance with the ESSs over a specified time frame.<sup>36</sup> The ESCP will be agreed upon with the Bank and will form part of the legal agreement. The draft ESCP will be disclosed as early as possible, and before project appraisal.

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Footnote 36. The Bank will assist the Borrower in identifying appropriate methods and tools to assess and manage the potential environmental and social risks and impacts of the project, and developing the ESCP.

37. The ESCP will take into account the findings of the environmental and social assessment, the Bank's environmental and social due diligence, and the results of engagement with stakeholders. It will be an accurate summary of the material measures and actions required to avoid, minimize, reduce or otherwise mitigate the potential environmental and social risks and impacts of the project.<sup>37</sup> A completion date for each action will be specified in the ESCP.

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Footnote 37. This will include any mitigation and performance improvement measures and actions already developed; actions that may be completed prior to approval by the Bank Board of Directors; actions required by national law and regulation that satisfy the requirements of the ESSs; actions to address gaps in the Borrower's ES Framework; and any other actions that are considered necessary for the project to achieve compliance with the ESSs. The gaps will be assessed by reference to what would be required in the relevant ESS.

38. Where a common approach<sup>38</sup> has been agreed upon, the ESCP will include all measures and actions that have been agreed by the Borrower to enable the project to meet the common approach.

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Footnote 38. See paragraph 9.

**GN38.1.** Annex 2 of ESS1 provides details of the recommended content of the ESCP, such as plans and measures, together with their costs and financing sources, timelines, and roles and responsibilities.

39. The ESCP will set out a process that allows for adaptive management of proposed project changes or unforeseen circumstances. The process will set out how such changes or circumstances will be managed and reported, and any necessary changes will be made to the ESCP and relevant management tools.

**GN39.1.** Environmental and social assessments are expected to be conducted and mitigation measures proposed based on scoping or other experience-based assumptions about a project and its potential environmental and social risks and impacts. Throughout the project life cycle, changes can occur due to the variability of the natural or social environment, unforeseen project implementation challenges (for example, a mitigation measure may not work as envisaged), new information, or new risks and impacts that occur during implementation.

**GN39.2.** Adaptive management is a systematic approach for improving management by learning from project outcomes and new information. It focuses on learning and adapting and can be applied to respond to project changes or unforeseen circumstances. For example, an adaptive management approach incorporates processes to monitor environmental and social mitigation measures compared to expected outcomes, to detect and learn from changes to those outcomes, and to make decisions to realign project outcomes with ESS objectives. Adaptive management processes are by design flexible and iterative, and support systematic monitoring and modifications. It is useful to define such learning and adaptation mechanisms during project preparation and then outline them in the ESCP.

40. The Borrower will implement diligently the measures and actions identified in the ESCP in accordance with the time frames specified, and will review the status of implementation of the ESCP as part of its monitoring and reporting.<sup>39</sup>

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Footnote 39. See Section D.

41. The ESCP will describe the different management tools<sup>40</sup> that the Borrower will use to develop and implement the agreed measures and actions. These management tools will include, as appropriate, environmental and social management plans, environmental and social management frameworks, operational policies, operational manuals, management systems, procedures, practices, and capital investments. All management tools will apply the mitigation hierarchy and incorporate measures so that the project will meet the requirements of applicable laws and regulations and the ESSs<sup>41</sup> in accordance with the ESCP throughout the project life cycle.

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Footnote 40. The level of detail and complexity of the management tools will be proportionate to the project's risks and impacts, and the measures and actions identified to address such risks and impacts. They will take into account the experience and capacity of the parties involved with the project, including the implementing agencies, project-affected communities, and other interested parties, and aim to support improved environmental and social performance.

Footnote 41. Including relevant GIIP.

42. The management tools will define desired outcomes in measurable terms (for example, against baseline conditions) to the extent possible, with elements such as targets and performance indicators that can be tracked over defined time periods.

**GN42.1.** See paragraphs 45–50 of ESS1 on Project Monitoring and Reporting.

43. Recognizing the dynamic nature of the project development and implementation process, the management tools will take a long-term and phased approach, and be designed to be responsive to changes in project circumstances, unforeseen events, regulatory changes, and the results of monitoring and review.

44. The Borrower will notify the Bank promptly of any proposed changes to the scope, design, implementation, or operation of the project that are likely to cause an adverse change in the environmental or social risks or impacts of the project. The Borrower will carry out, as appropriate, additional assessment

and stakeholder engagement in accordance with the ESSs, and propose changes, for approval by the Bank, to the ESCP and relevant management tools, as appropriate, in accordance with the findings of such assessments and consultation. The updated ESCP will be disclosed.

**GN44.1.** This paragraph refers to situations where changes in the project may cause additional adverse impacts, and is different from the process of adaptive management, which is described in paragraph 39. For example, the Borrower may wish to acquire more land entailing resettlement, or to increase the capacity of a power station. In such circumstances, the Borrower may be required to conduct additional stakeholder engagement as set out in paragraph 53 and to notify the Bank.

## D. Project Monitoring and Reporting

45. The Borrower will monitor the environmental and social performance of the project in accordance with the legal agreement (including the ESCP). The extent and mode of monitoring will be agreed upon with the Bank, and will be proportionate to the nature of the project, the project's environmental and social risks and impacts, and compliance requirements. The Borrower will ensure that adequate institutional arrangements, systems, resources, and personnel are in place to carry out monitoring. Where appropriate and as set out in the ESCP, the Borrower will engage stakeholders and third parties, such as independent experts, local communities, or nongovernmental organizations (NGOs), to complement or verify its own monitoring activities. Where other agencies or third parties are responsible for managing specific risks and impacts and implementing mitigation measures, the Borrower will collaborate with such agencies and third parties to establish and monitor such mitigation measures.

**GN45.1.** Monitoring helps track the environmental and social performance of the project, to determine whether it is achieving its outcomes and meeting various environmental and social requirements, and whether additional measures need to be implemented. It is important to document the monitoring of mitigation measures set out in the ESCP. Paragraphs 45–50 of ESS1 describe the key elements of monitoring and reporting to the Bank on the monitoring results in accordance with the project's legal agreement, the ESCP, and the ESSs. ESS10 provides information on how the monitoring program results can be communicated to stakeholders.

**GN45.2.** The project's ESMP (a stand-alone document or as captured in the ESCP) sets out the monitoring objectives and types of monitoring for the project's environmental and social impacts and mitigation measures. Establishing monitoring systems, resources, and personnel, and collecting baseline data early in project preparation, are useful for effective monitoring, reporting, and managing environmental and social performance throughout the project. Indicators selected for monitoring are based on the project's baseline data.

**GN45.3.** If stakeholders and third parties (such as project-affected parties) are engaged to assist in monitoring activities, it is important to provide guidance and training as needed to enhance their capacity for such participatory monitoring.

46. Monitoring will normally include recording information to track performance, and establishing relevant operational controls to verify and compare compliance and progress. Monitoring will be adjusted according to performance experience, as well as actions requested by relevant regulatory authorities and feedback from stakeholders such as community members. The Borrower will document monitoring results.

47. The Borrower will provide regular reports as set out in the ESCP (in any event, no less than annually) to the Bank of the results of the monitoring. Such reports will provide an accurate and objective record of project implementation, including compliance with the ESCP and the requirements of the ESSs. Such reports will include information on stakeholder engagement conducted during project implementation in accordance with ESS10. The Borrower, and the agencies implementing the project, will designate senior officials to be responsible for reviewing the reports.

**GN47.1.** The Borrower and Bank agree on the format, content, and frequency of the reports, which can vary depending on the nature of the project and the significance of the environmental and social risks, impacts, and mitigation measures. Monitoring results may be made available to third parties involved in implementing the project and project-affected parties, where appropriate.

48. Based on the results of the monitoring, the Borrower will identify any necessary corrective and preventive actions, and will incorporate these in an amended ESCP or the relevant management tool, in a manner acceptable to the Bank. The Borrower will implement the agreed corrective and preventive actions in accordance with the amended ESCP or relevant management tool, and monitor and report on these actions.

49. The Borrower will facilitate site visits by Bank staff or consultants acting on the Bank's behalf.

50. The Borrower will notify the Bank promptly of any incident or accident relating to the project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public, or workers. The notification will provide sufficient detail regarding such incident or accident, including any fatalities or serious injuries. The Borrower will take immediate measures to address the incident or accident and to prevent any recurrence, in accordance with national law and the ESSs.

## **E. Stakeholder Engagement and Information Disclosure**

51. As set out in ESS10, the Borrower will continue to engage with, and provide sufficient information to stakeholders throughout the life cycle of the project, in a manner appropriate to the nature of their interests and the potential environmental and social risks and impacts of the project.

52. For High Risk and Substantial Risk projects, the Borrower will provide to the Bank and disclose documentation, as agreed with the Bank, relating to the environmental and social risks and impacts of the project prior to project appraisal.<sup>42</sup> The documentation will address, in an adequate manner, the key risks and impacts of the project, and will provide sufficient detail to inform stakeholder engagement and Bank decision making. The Borrower will provide to the Bank and disclose final or updated documentation as specified in the ESCP.

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Footnote 42. In agreeing with the Borrower, the documentation to be provided and disclosed prior to project appraisal and following Board approval, the Bank will take into account paragraphs 51 and 52 of the Policy.

53. If there are significant changes to the project that result in additional risks and impacts, particularly where these will impact project-affected parties, the Borrower will provide information on such risks and impacts and consult with project-affected parties as to how these risks and impacts will be mitigated. The Borrower will disclose an updated ESCP, setting out the mitigation measures.

# Annex 1: Environmental and Social Assessment

## A. General

1. The Borrower will undertake an environmental and social assessment to assess the environmental and social risks and impacts of a project throughout the project life cycle. The term ‘environmental and social assessment’ is a generic term that describes the process of analysis and planning used by the Borrower to ensure the environmental and social impacts and risks of a project are identified, avoided, minimized, reduced, or mitigated.

2. The environmental and social assessment is the primary means of ensuring projects are environmentally and socially sound and sustainable, and will be used to inform decision making. The environmental and social assessment is a flexible process that can use different tools and methods depending on the details of the project and the circumstances of the Borrower (see paragraph 5 below).

3. The environmental and social assessment will be conducted in accordance with ESS1, and will consider, in an integrated way, all relevant direct, indirect, and cumulative environmental and social risks and impacts of the project, including those specifically identified in ESSs1–10. The breadth, depth, and type of analysis undertaken as part of the environmental and social assessment will depend on the nature and scale of the project, and the potential environmental and social risks and impacts that could result. The Borrower will undertake the environmental and social assessment at the scale and level of detail appropriate to the potential risks and impacts.<sup>43</sup>

Footnote 43. See ESS1 Section B.

4. The manner in which the environmental and social assessment will be conducted and the issues to be addressed will vary for each project. The Borrower will consult with the Bank to determine the process to be used, taking into account a number of activities, including scoping, stakeholder engagement, potential environmental and social issues, and any specific issues raised between the Bank and Borrower. The environmental and social assessment will include and take into account coordination and consultation with affected people and other interested parties, particularly at an early stage, to ensure that all potentially significant environmental and social risks and impacts are identified and addressed.

5. The different methods and tools used by the Borrower to carry out the environmental and social assessment and to document the results of such an assessment, including the mitigation measures to be implemented, will reflect the nature and scale of the project.<sup>44</sup> As specified in ESS1,<sup>45</sup> these will include, as appropriate, a combination or elements of the following:

(a) **Environmental and Social Impact Assessment (ESIA)**

Environmental and social impact assessment (ESIA) is an instrument to identify and assess the potential environmental and social impacts of a proposed project, evaluate alternatives, and design appropriate mitigation, management, and monitoring measures.

(b) **Environmental and Social Audit**

Environmental and social audit is an instrument to determine the nature and extent of all environmental and social areas of concern at an existing project or activities. The audit identifies and

justifies appropriate measures and actions to mitigate the areas of concern, estimates the cost of the measures and actions, and recommends a schedule for implementing them. For certain projects, the environmental and social assessment may consist of an environmental or social audit alone; in other cases, the audit forms part of the environmental and social assessment.

(c) **Hazard or Risk Assessment**

Hazard or risk assessment is an instrument for identifying, analyzing, and controlling hazards associated with the presence of dangerous materials and conditions at a project site. The Bank requires a hazard or risk assessment for projects involving certain inflammable, explosive, reactive, and toxic materials when they are present in quantities above a specified threshold level. For certain projects, the environmental and social assessment may consist of the hazard or risk assessment alone; in other cases, the hazard or risk assessment forms part of the environmental and social assessment.

(d) **Cumulative Impact Assessment**

Cumulative impact assessment is an instrument to consider cumulative impacts of the project in combination with impacts from other relevant past, present, and reasonably foreseeable developments as well as unplanned but predictable activities enabled by the project that may occur later or at a different location.

(e) **Social and Conflict Analysis**

Social and conflict analysis is an instrument that assesses the degree to which the project may (i) exacerbate existing tensions and inequality within society (both within the communities affected by the project and between these communities and others); (ii) have a negative effect on stability and human security; and (iii) be negatively affected by existing tensions, conflict, and instability, particularly in circumstances of war, insurrection, and civil unrest.

(f) **Environmental and Social Management Plan (ESMP)**

Environmental and social management plan (ESMP) is an instrument that details (i) the measures to be taken during the implementation and operation of a project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels; and (ii) the actions needed to implement these measures.

(g) **Environmental and Social Management Framework (ESMF)**

Environmental and social management framework (ESMF) is an instrument that examines the risks and impacts when a project consists of a program and/or series of subprojects, and the risks and impacts cannot be determined until the program or subproject details have been identified. The ESMF sets out the principles, rules, guidelines, and procedures to assess the environmental and social risks and impacts. It contains measures and plans to reduce, mitigate, and/or offset adverse risks and impacts, provisions for estimating and budgeting the costs of such measures, and information on the agency or agencies responsible for addressing project risks and impacts, including on its capacity to manage environmental and social risks and impacts. It includes adequate information on the area in which subprojects are expected to be sited, including any potential environmental and social vulnerabilities of the area; and on the potential impacts that may occur and mitigation measures that might be expected to be used.

(h) **Regional ESIA**

Regional ESIA examines environmental and social risks and impacts, and issues associated with a particular strategy, policy, plan, or program, or with a series of projects, for a particular region (e.g., an urban area, a watershed, or a coastal zone); evaluates and compares the impacts against those of alternative options; assesses legal and institutional aspects relevant to the risks, impacts, and issues; and recommends broad measures to strengthen environmental and social management in the region. Regional ESIA pays particular attention to potential cumulative risks and impacts of multiple activities in a region but may not include the site-specific analyses of a specific project, in which case the Borrower must develop supplemental information.

(i) **Sectoral ESIA**

Sectoral ESIA examines environmental and social risks and impacts, and issues associated with a particular sector in a region or across a nation; evaluates and compares the impacts against those of alternative options; assesses legal and institutional aspects relevant to the risks and impacts; and recommends broad measures to strengthen environmental and social management in the region. Sectoral ESIA also pays particular attention to potential cumulative risks and

impacts of multiple activities. A sectoral ESIA may need to be supplemented with project- and site-specific information.

(j) **Strategic Environmental and Social Assessment (SESA)**

Strategic environmental and social assessment (SESA) is a systematic examination of environmental and social risks and impacts, and issues associated with a policy, plan, or program, typically at the national level but also in smaller areas. The examination of environmental and social risks and impacts will include consideration of the full range of environmental and social risks and impacts incorporated in ESS1 through 10. SESAs are typically not location specific. They are therefore prepared in conjunction with project- and site-specific studies that assess the risks and impacts of the project.

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Footnote 44. These will also reflect national regulatory requirements, which may be relied on by the Borrower to the extent they meet the requirements of the ESSs.

Footnote 45. See ESS1, paragraph 23.

6. Specific features of a project may require the Borrower to utilize specialized methods and tools for assessment, such as a Resettlement Plan, Livelihood Restoration Plan, Indigenous Peoples Plan, Biodiversity Action Plan, Cultural Heritage Management Plan, and other plans as agreed with the Bank.

7. Borrowers should initiate the environmental and social assessment as early as possible in project processing. Borrowers will consult with the Bank as early as possible so the environmental and social assessment is designed from the outset to meet the requirements of the ESSs.

8. The environmental and social assessment will be closely integrated with the project's economic, financial, institutional, social, and technical analyses so that environmental and social considerations are taken into consideration in project selection, siting, and design decisions. The Borrower will take measures to ensure that when individuals or entities are engaged to carry out environmental and social assessment, any conflict of interest is avoided. The environmental and social assessment will not be carried out by the consultants who prepare the engineering design, unless the Borrower can demonstrate that no conflict of interest exists and such consultants include qualified environmental and social specialists.

9. When the Borrower has completed or partially completed environmental and social assessment prior to the Bank's involvement in a project, the environmental and social assessment is subject to the Bank's review to ensure that it meets the requirements of the ESSs. If appropriate, the Borrower is required to conduct additional work, including public consultation and disclosure.

## **B. Institutional Capacity**

10. Environmental and social assessment can provide opportunities for coordinating environmental and socially related responsibilities and actions in the host country in a way that goes beyond project boundaries/responsibilities and, as a result, where feasible should be linked to other environmental and social strategies and action plans, and freestanding projects. The environmental and social assessment for a specific project can thereby help strengthen environmental and social management capability in the country, and both Borrowers and the Bank are encouraged to take advantage of opportunities to use it for that purpose.

11. The Borrower may include components in the project to strengthen its legal or technical capacity to carry out key environmental and social assessment functions. If the Bank concludes that the Borrower has inadequate legal or technical capacity to carry out such functions, the Bank may require strengthening programs to be included as part of the project. If the project includes one or more elements of capacity strengthening, these elements will be subject to periodic monitoring and evaluation as required by ESS1.



## C. Other Requirements for Certain Projects

12. Where relevant, the environmental and social assessment will take into account the requirements of OP 7.50 for projects on international waterways and OP 7.60 for projects in disputed areas.

## D. Indicative Outline of ESIA

13. Where an environmental and social impact assessment is prepared as part of the environmental and social assessment, it will include the following:

(a) **Executive summary**

- Concisely discusses significant findings and recommended actions.

(b) **Legal and institutional framework**

- Analyzes the legal and institutional framework for the project, within which the environmental and social assessment is carried out, including the issues set out in ESS1, paragraph 26.<sup>46</sup>
- Compares the Borrower's existing environmental and social framework and the ESSs and identifies the gaps between them.
- Identifies and assesses the environmental and social requirements of any co-financiers.

(c) **Project description**

- Concisely describes the proposed project and its geographic, environmental, social, and temporal context, including any offsite investments that may be required (e.g., dedicated pipelines, access roads, power supply, water supply, housing, and raw material and product storage facilities), as well as the project's primary suppliers.
- Through consideration of the details of the project, indicates the need for any plan to meet the requirements of ESS1 through 10.
- Includes a map of sufficient detail, showing the project site and the area that may be affected by the project's direct, indirect, and cumulative impacts.

(d) **Baseline data**

- Sets out in detail the baseline data that is relevant to decisions about project location, design, operation, or mitigation measures. This should include a discussion of the accuracy, reliability, and sources of the data, as well as information about dates surrounding project identification, planning, and implementation.
- Identifies and estimates the extent and quality of available data, key data gaps, and uncertainties associated with predictions.
- Based on current information, assesses the scope of the area to be studied and describes relevant physical, biological, and socioeconomic conditions, including any changes anticipated before the project commences.
- Takes into account current and proposed development activities within the project area but not directly connected to the project.

(e) **Environmental and social risks and impacts**

- Takes into account all relevant environmental and social risks and impacts of the project. This will include the environmental and social risks and impacts specifically identified in ESSs2–8, and any other environmental and social risks and impacts arising as a consequence of the specific nature and context of the project, including the risks and impacts identified in ESS1, paragraph 28.

(f) **Mitigation measures**

- Identifies mitigation measures and significant residual negative impacts that cannot be mitigated and, to the extent possible, assess the acceptability of those residual negative impacts.
- Identifies differentiated measures so that adverse impacts do not fall disproportionately on the disadvantaged or vulnerable.

- Assesses the feasibility of mitigating the environmental and social impacts; the capital and recurrent costs of proposed mitigation measures, and their suitability under local conditions; the institutional, training, and monitoring requirements for the proposed mitigation measures.
- Specifies issues that do not require further attention, providing the basis for this determination.

**(g) Analysis of alternatives**

- Systematically compares feasible alternatives to the proposed project site, technology, design, and operation—including the "without project" situation—in terms of their potential environmental and social impacts;
- Assesses the alternatives' feasibility of mitigating the environmental and social impacts; the capital and recurrent costs of alternative mitigation measures, and their suitability under local conditions; the institutional, training, and monitoring requirements for the alternative mitigation measures.
- For each of the alternatives, quantifies the environmental and social impacts to the extent possible, and attaches economic values where feasible.

**(h) Design measures**

- Sets out the basis for selecting the particular project design proposed and specifies the applicable ESHGs, or if the ESHGs are determined to be inapplicable, justifies recommended emission levels and approaches to pollution prevention and abatement that are consistent with GIIP.

**(i) Key measures and actions for the Environmental and Social Commitment Plan (ESCP)**

- Summarizes key measures and actions and the time frame required for the project to meet the requirements of the ESSs. This will be used in developing the Environmental and Social Commitment Plan (ESCP).

**(j) Appendices**

- List of the individuals or organizations that prepared or contributed to the environmental and social assessment.
- References—set out the written materials, both published and unpublished, that have been used.
- Record of meetings, consultations, and surveys with stakeholders, including those with affected people and other interested parties. The record specifies the means of such stakeholder engagement that were used to obtain the views of affected people and other interested parties.
- Tables presenting the relevant data referred to or summarized in the main text.
- List of associated reports or plans.

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Footnote 46. ESS1, paragraph 26, states that the environmental and social assessment takes into account, in an appropriate manner, all issues relevant to the project, including: (a) the country's applicable policy framework, national laws and regulations, and institutional capabilities (including implementation) relating to environment and social issues; variations in country conditions and project context; country environmental or social studies; national environmental or social action plans; and obligations of the country directly applicable to the project under relevant international treaties and agreements; (b) applicable requirements under the ESSs; and (c) the ESHGs, and other relevant GIIP.

## E. Indicative Outline of ESMP

14. An ESMP consists of the set of mitigation, monitoring, and institutional measures to be taken during implementation and operation of a project to eliminate adverse environmental and social risks and impacts, offset them, or reduce them to acceptable levels. The ESMP also includes the measures and actions needed to implement these measures. The Borrower will (a) identify the set of responses to potentially adverse impacts; (b) determine requirements for ensuring that those responses are made effectively and in a timely manner; and (c) describe the means for meeting those requirements.

15. Depending on the project, an ESMP may be prepared as a stand-alone document<sup>47</sup> or the content may be incorporated directly into the ESCP. The content of the ESMP will include the following:

(a) **Mitigation**

- The ESMP identifies measures and actions in accordance with the mitigation hierarchy that reduce potentially adverse environmental and social impacts to acceptable levels. The plan will include compensatory measures, if applicable. Specifically, the ESMP:
  - (i) Identifies and summarizes all anticipated adverse environmental and social impacts (including those involving indigenous people or involuntary resettlement);
  - (ii) Describes—with technical details—each mitigation measure, including the type of impact to which it relates and the conditions under which it is required (e.g., continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate;
  - (iii) Estimates any potential environmental and social impacts of these measures; and
  - (iv) Takes into account, and is consistent with, other mitigation plans required for the project (e.g., for involuntary resettlement, Indigenous Peoples, or cultural heritage).

(b) **Monitoring**

- The ESMP identifies monitoring objectives and specifies the type of monitoring, with linkages to the impacts assessed in the environmental and social assessment and the mitigation measures described in the ESMP.<sup>48</sup> Specifically, the monitoring section of the ESMP provides (a) a specific description, and technical details, of monitoring measures, including the parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits (where appropriate), and definition of thresholds that will signal the need for corrective actions; and (b) monitoring and reporting procedures to (i) ensure early detection of conditions that necessitate particular mitigation measures, and (ii) furnish information on the progress and results of mitigation.

(c) **Capacity development and training**

- To support timely and effective implementation of environmental and social project components and mitigation measures, the ESMP draws on the environmental and social assessment of the existence, role, and capability of responsible parties on site or at the agency and ministry level.
- Specifically, the ESMP provides a specific description of institutional arrangements, identifying which party is responsible for carrying out the mitigation and monitoring measures (e.g., for operation, supervision, enforcement, monitoring of implementation, remedial action, financing, reporting, and staff training).
- To strengthen environmental and social management capability in the agencies responsible for implementation, the ESMP recommends the establishment or expansion of the parties responsible, the training of staff, and any additional measures that may be necessary to support implementation of mitigation measures and any other recommendations of the environmental and social assessment.

(d) **Implementation schedule and cost estimates**

- For all three aspects (mitigation, monitoring, and capacity development), the ESMP provides (a) an implementation schedule for measures that must be carried out as part of the project, showing phasing and coordination with overall project implementation plans; and (b) the capital and recurrent cost estimates and sources of funds for implementing the ESMP. These figures are also integrated into the total project cost tables.

(e) **Integration of ESMP with project**

- The Borrower's decision to proceed with a project, and the Bank's decision to support it, are predicated in part on the expectation that the ESMP (either stand alone or as incorporated into the ESCP) will be executed effectively. Consequently, each of the measures and actions to be implemented will be clearly specified, including the individual mitigation and monitoring measures and actions and the institutional responsibilities relating to each, and the

costs of so doing will be integrated into the project's overall planning, design, budget, and implementation.

Footnote 47. This may be particularly relevant where the Borrower is engaging contractors, and the ESMP sets out the requirements to be followed by contractors. In this case the ESMP should be incorporated as part of the contract between the Borrower and the contractor, together with appropriate monitoring and enforcement provisions.

Footnote 48. Monitoring during project implementation provides information about key environmental and social aspects of the project, particularly the environmental and social impacts of the project and the effectiveness of mitigation measures. Such information enables the Borrower and the Bank to evaluate the success of mitigation as part of project supervision, and allows corrective action to be taken when needed.

## F. Indicative Outline of Environmental and Social Audit

16. The aim of the audit is to identify significant environmental and social issues in the existing project or activities, and assess their current status, specifically in terms of meeting the requirements of the ESSs.

(a) **Executive summary**

- Concisely discusses significant findings and sets out recommended measures and actions and time frames.

(b) **Legal and institutional framework**

- Analyzes the legal and institutional framework for the existing project or activities, including the issues set out in ESS1, paragraph 26, and (where relevant) any applicable environmental and social requirements of existing financiers.

(c) **Project description**

- Concisely describes the existing project or activities, and the geographic, environmental, social, and temporal context and any Associated Facilities.
- Identifies the existence of any plans already developed to address specific environmental and social risks and impacts (e.g., land acquisition or resettlement plan, cultural heritage plan, biodiversity plan)
- Includes a map of sufficient detail, showing the site of the existing project or activities and the proposed site for the proposed project.

(d) **Environmental and social Issues associated with the existing project or activities**

- The review will consider the key risks and impacts relating to the existing project or activities. This will cover the risks and impacts identified in ESSs1–10, as relevant to the existing project or activities. The audit will also review issues not covered by the ESSs, to the extent that they represent key risks and impacts in the circumstances of the project.

(e) **Environmental and social analysis**

- The audit will also assess (i) the potential impacts of the proposed project (taking into account the findings of the audit with regard to the existing project or activities); and (ii) the ability of the proposed project to meet the requirements of the ESSs.

(f) **Proposed environmental and social measures**

- Based on the findings of the audit, this section will set out the suggested measures to address such findings. These measures will be included in the Environmental and Social Commitment Plan (ESCP) for the proposed Project. Measures typically covered under this section include the following:
  - Specific actions required to meet the requirements of the ESSs;
  - Corrective measures and actions to mitigate potentially significant environmental and/or social risks and impacts associated with the existing project or activities; and
  - Measures to avoid or mitigate any potential adverse environmental and social risks or impacts associated with the proposed project.

# Annex 2: Environmental and Social Commitment Plan

## A. Introduction

1. The Borrower will agree on an Environmental and Social Commitment Plan (ESCP) with the Bank. The ESCP forms part of the legal agreement. It is designed to consolidate into one summary document the material measures and actions that are required for the project to achieve compliance with the ESSs over a specified time frame in a manner satisfactory to the Bank.

2. The ESCP will be developed as information regarding the potential risks and impacts of the project becomes known. It will take into account the findings of the environmental and social assessment, the Bank's environmental and social due diligence, and the results of engagement with stakeholders. Preparation of the ESCP will start as early as possible, normally at the time of project scoping, and will serve as a tool to facilitate the identification of potential environmental and social risks and impacts and mitigation measures. The draft ESCP will be disclosed as early as possible, and before project appraisal.

## B. Content of an ESCP

3. The ESCP will be an accurate summary of the material measures and actions to address the potential environmental and social risks and impacts of the project in accordance with the mitigation hierarchy. It will form the basis for monitoring the environmental and social performance of the project. All requirements will be set out clearly, so that there is no ambiguity around compliance, timing, and monitoring. Depending on the project, the ESCP may specify funding to be made available for completion of a measure or action, and include other details relevant to completion.

4. The ESCP will also include a process that allows for adaptive management of proposed project changes or unforeseen circumstances. The process will set out how such changes or circumstances will be managed and reported and any necessary changes will be made to the ESCP and relevant management tools.

5. The ESCP will also set out a summary of the organizational structure that the Borrower will establish and maintain to implement the actions agreed upon in the ESCP. The organizational structure will take into account the different roles and responsibilities of the Borrower and the agencies responsible for implementing the project, and identify specific personnel with clear lines of responsibility and authority.

6. The ESCP will set out a summary of the training that the Borrower will provide to address the specific actions required under the ESCP, identifying the recipients of such training and the required human and financial resources.

7. The ESCP will set out the systems, resources, and personnel that the Borrower will put in place to carry out monitoring, and will identify any third parties that will be used to complement or verify the Borrower's monitoring activities.

8. The content of an ESCP will differ from project to project. For some projects, the ESCP will capture all relevant obligations of the Borrower, and there will be no requirement for additional plans. For other projects, the ESCP will refer to other plans, either plans that already exist or plans to be prepared (e.g., an ESMP, a resettlement plan, a hazardous waste plan) which set out detailed project requirements. In such circumstances, the ESCP will summarize key aspects of the plans. Where plans are to be developed, the ESCP will set out time frames for completion of such plans.

9. Where, and to the extent that, the project is relying on use of the Borrower's existing environmental and social framework, the ESCP will identify the specific aspects of the national framework with reference to the relevant ESSs.

### C. Implementation of ESCP

10. The Borrower will implement diligently the measures and actions identified in the ESCP in accordance with the time frames specified, and will review the status of implementation of the ESCP as part of its monitoring and reporting.<sup>49</sup>

Footnote 49. See ESS1 Section D.

11. The Borrower will maintain, and strengthen as necessary throughout the project life cycle, the organizational structure established to oversee environmental and social aspects of the project. Key social and environmental responsibilities will be well defined, and communicated to all personnel involved. Sufficient high-level commitment, and human and financial resources, will be provided on an ongoing basis to implement the ESCP.

12. The Borrower will ensure that persons with direct responsibility for activities relevant to the implementation of the ESCP are adequately qualified and trained so that they have the knowledge and skills necessary to perform their work. The Borrower, either directly or through agencies responsible for implementing the project, will provide training to address the specific measures and actions required by the ESCP, and to support effective and continuous social and environmental performance.

13. The Borrower will notify the Bank promptly of any proposed changes to the scope, design, implementation, or operation of the project that are likely to cause an adverse change in the environmental or social risks or impacts of the project. The Borrower will carry out, as appropriate, additional assessment and stakeholder engagement in accordance with the ESSs, and propose changes, for approval by the Bank, to the ESCP and relevant management tools, as appropriate, in accordance with the findings of such assessments and consultation. The updated ESCP will be disclosed.

### D. Timing for Conducting Project Activities

14. If the Borrower is required to plan or take specific measures and actions over a specified time frame to avoid, minimize, reduce, or mitigate specific risks and impacts of the project, the Borrower may not carry out any activities in relation to the project that may cause material adverse environmental or social risks or impacts, until the relevant plans, measures, or actions have been completed in accordance with the ESCP, including satisfying applicable requirements on consultation and disclosure.

# Annex 3: Management of Contractors

The Borrower will require that all contractors engaged on the project operate in a manner consistent with the requirements of the ESSs, including the specific requirements set out in the ESCP. The Borrower will manage all contractors in an effective manner, including:

- (a) Assessing the environmental and social risks and impacts associated with such contracts;
- (b) Ascertaining that contractors engaged in connection with the project are legitimate and reliable enterprises, and have knowledge and skills to perform their project tasks in accordance with their contractual commitments;
- (c) Incorporating all relevant aspects of the ESCP into tender documents;
- (d) Contractually requiring contractors to apply the relevant aspects of the ESCP and the relevant management tools, and including appropriate and effective noncompliance remedies;
- (e) Monitoring contractor compliance with their contractual commitments; and
- (f) In the case of subcontracting, requiring contractors to have equivalent arrangements with their subcontractors.

# References

There are many resources that may be useful to a Borrower in addressing the application of the ESF. Set out below are references that may assist the Borrower in implementing the requirements of the ESF. The resources listed here do not necessarily represent the views of the World Bank.

## *World Bank Group*

World Bank. 2011. "Stakeholder Consultations in Investment Operations." Washington, DC. <http://documents.worldbank.org/curated/en/830941468323985308/Stakeholder-consultations-in-investment-operations-guidance-note>

———. 2015. "World Bank Group Gender Strategy (FY16-23): gender equality, poverty reduction and inclusive growth." Washington, DC. <https://openknowledge.worldbank.org/handle/10986/23425>

———. 2016. "Bank-Directive - Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups." Washington, DC. <https://policies.worldbank.org/sites/ppf3/PPFDocuments/e5562765a5534ea0b7877e1e775f29d5.pdf>

———. 2017. "Loan Handbook for World Bank Borrowers." Washington, DC. <http://siteresources.worldbank.org/LOANS/Resources/Disbursement09.pdf>

## *Additional References*

Asia-Pacific Economic Cooperation. N.d. "Policy Partnership on Women and the Economy Working Group." <https://www.apec.org/Groups/SOM-Steering-Committee-on-Economic-and-Technical-Cooperation/Working-Groups/Policy-Partnership-on-Women-and-the-Economy>

Inter-American Development Bank. 2010. "Operational Policy on Gender Equality in Development." Washington, DC. <http://www.iadb.org/document.cfm?id=35428399>

———. 2017. "Meaningful Stakeholder Consultations." Washington, DC. <http://dx.doi.org/10.18235/0000776>

## **Relevant Conventions (non-exhaustive)**

United Nations 1960. "Convention against Discrimination in Education." <http://www.ohchr.org/EN/ProfessionalInterest/Pages/DiscriminationInEducation.aspx>

———. 2000. "Convention against Transnational Organized Crime" (including 2000 protocol to prevent, suppress and punish trafficking in persons, especially women and children, and protocol against smuggling of migrants by land, sea, and air). <https://www.unodc.org/unodc/en/organized-crime/intro/UNTOC.html>

———. Trafficking knowledge portal: <https://sherloc.unodc.org/cld/en/v3/htms/index.html>

———. Combating Discrimination resources (including discrimination against indigenous peoples, migrants, minorities, people with disabilities, women, racial discrimination, religious discrimination and discrimination based on sexual orientation and gender identity). <https://www.ohchr.org/EN/Issues/Discrimination/Pages/discrimination.aspx>

———. 1989. "Convention on the Rights of the Child (CRC)." <http://www.ohchr.org/EN/ProfessionalInterest/Pages/CRC.aspx>

———. 2013. World Intellectual Property Organization. "Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled." [https://www.wipo.int/marrakesh\\_treaty/en/](https://www.wipo.int/marrakesh_treaty/en/)

———. 1990. "International Convention for the Protection of the Rights of All Migrant Workers and Members of their Families (CMW)." <http://www.ohchr.org/EN/ProfessionalInterest/Pages/CMW.aspx>



———. 1991. “Convention on Environmental Impact Assessment in a Transboundary Context” (including 2003 protocol on Strategic Environmental Assessment). <https://www.unece.org/env/eia/welcome.html>

———. 2006. “Convention on the Rights of Persons with Disabilities (CPRD).” <https://www.un.org/development/desa/disabilities/convention-on-the-rights-of-persons-with-disabilities.html>

### **Relevant Organizations and Treaty Bodies**

African Commission on Human and Peoples' Rights. <http://www.achpr.org/>

African Court on Human and Peoples' Rights. <http://www.african-court.org/en/>

Committee on Economic, Social, and Cultural Rights (CESCR). <http://www.ohchr.org/en/hrbodies/cescr/pages/cescrindex.aspx>

Committee on Migrant Workers (CMW). <http://www.ohchr.org/EN/HRBodies/CMW/Pages/CMWIndex.aspx>

Committee on the Elimination of Discrimination Against Women (CEDAW). <http://www.ohchr.org/en/hrbodies/cedaw/pages/cedawindex.aspx>

Committee on the Elimination of Racial Discrimination (CERD). <http://www.ohchr.org/EN/HRBodies/CERD/Pages/CERDIndex.aspx>

Committee on the Rights of Persons with Disabilities (CRPD). <http://www.ohchr.org/EN/HRBodies/CRPD/Pages/CRPDIndex.aspx>

Committee on the Rights of the Child (CRC). <http://www.ohchr.org/EN/HRBodies/CRC/Pages/CRCIndex.aspx>

Convention on Biological Diversity. <https://www.cbd.int/information/>

European Court of Human Rights. <https://www.echr.coe.int/Pages/home.aspx?p=home>

Human Rights Committee (ICCPR). <http://www.ohchr.org/EN/HRBodies/CCPR/Pages/CCPRIndex.aspx>

Inter-American Commission on Human Rights. <http://www.oas.org/en/iachr/>

Inter-American Court of Human Rights. <http://www.corteidh.or.cr/index.php/en>

International Labour Organization (ILO). <http://www.ilo.org/global/publications/lang--en/index.htm>

International Maritime Organization (IMO). <http://www.imo.org/en/Publications/Pages/Home.aspx>

Office of the United Nations High Commissioner for Human Rights (OHCHR). <http://www.ohchr.org/EN/PublicationsResources/Pages/Publications.aspx>

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