

**India Infrastructure Financing Company Limited  
(IIFCL)**



**ENVIRONMENTAL AND SOCIAL SAFEGUARDS  
FRAMEWORK**

*(Updated in July 2013)*

**New Delhi  
India**

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## ABBREVIATIONS

ADB	-	Asian Development Bank
CMD	-	Chairman and Managing Director
COD	-	Commercial Operation Date
CPCB	-	Central Pollution Control Board
CRZ	-	Costal Regulation Zone
DFIs	-	Development Financial Institutions
EA	-	Environmental Assessment
EC	-	Environmental Clearance
ED	-	Executive Director
EDP	-	Environmental Due Diligence Procedures
EIA	-	Environmental Impact Assessment
EMP	-	Environment Management Plan
ESSF	-	Environment and Social Safeguard Framework
ESF	-	Environmental Safeguards Framework
E&S	-	Environmental and Social
ESP	-	Environment and Social Policy
ESS	-	Environment Safeguards Systems
ESMU	-	Environment and Social Safeguards Management Unit
FI	-	Financial Intermediary
GC	-	General Conditions
GOI	-	Government of India
HUDCO	-	Housing and Urban Development Corporation Limited
IDFC	-	Infrastructure Development Finance Company Limited
IIFCL	-	India Infrastructure Finance Company Limited
IL&FS	-	Infrastructure Leasing & Financial Services Limited
IR	-	Involuntary Resettlement
IPDP	-	Indigenous People's Development Plan
IP	-	Indigenous People
JBIC	-	Japan Bank for International Cooperation
KfW	-	Kreditstalt für Wiederaufbau
MOEF	-	Ministry of Environment and Forest
MOU	-	Memorandum of Understanding
NGO	-	Nongovernment Organizations
NRRP	-	National Rehabilitation and Resettlement Policy
OM	-	Operational Manual
O&M	-	Operation & Maintenance
PAP	-	Project-affected person
PC	-	Project Cycle
PCB	-	Pollution Control Board
PIAL	-	Prohibited Investment Activities List
PFR	-	Periodic Finance Requests
PLC	-	Project Life Cycle
PIM	-	Project Information Memorandum
PMC	-	Project Management Consultants
PPP	-	Public Private Participation
RAP	-	Resettlement Action Plan
RP	-	Resettlement Plan
R&R	-	Resettlement and Rehabilitation
SEIAA	-	State/Union Territory Environmental Impact Assessment Agency

SIA	-	Social Impact Assessment
SPCB	-	State Pollution Control Board
SSDP	-	Social Safeguard Due Diligence Procedures
SSF	-	Social Safeguard Framework
SSLO	-	Social Safeguards Liaison Officer
SIFTI	-	Scheme for Infrastructure Financing through IIFCL
SPV	-	Special Purpose Vehicle
TDP	-	Tribal Development Plan
TOR	-	Terms of Reference
WB	-	The World Bank

## I. INTRODUCTION

1. The India Infrastructure Financing Company Limited (IIFCL) was incorporated on 5 January 2006, under the Companies Act 1956, as a fully government-owned company. The IIFCL is an apex financial intermediary for developing and financing commercially viable infrastructure projects and facilities in India through the following modalities:

- (i) long-term debt,
- (ii) refinance to banks and public financial institutions for loans granted by them,
- (iii) take-out financing,
- (iv) subordinate debt,
- (v) credit enhancement (on pilot basis), and
- (vi) any other mode approved by the Ministry of Finance from time to time.

2. Projects in the following sectors are eligible for IIFCL's financing:

**Table 1: Sectors Eligible for IIFCL Financing**

Sr. No.	Sector	Subsector
1.	Transport	Roads and bridges Ports Inland waterways Airport Railway tracks, tunnels, viaducts, bridges <sup>a</sup> Urban public transport (except rolling stock in case of urban road transport)
2.	Energy	Electricity generation Electricity transmission Electricity distribution Oil pipelines Oil/gas/liquefied natural gas (LNG) storage facility <sup>b</sup> Gas pipelines <sup>c</sup>
3.	Water sanitation	Solid waste management Water supply pipelines Water treatment plants Sewage collection, treatment and disposal system Irrigation (dams, channels, embankments etc.) Storm water drainage system
4.	Communication	Telecommunication (fixed network) <sup>d</sup> Telecommunication towers
5.	Social and commercial infrastructure	Education institutions (capital stock) Hospitals (capital stock) <sup>e</sup> Three-star or higher category classified hotels located outside cities with population of more than one million Common infrastructure for industrial parks, SEZ, tourism facilities and agriculture markets Fertilizer (Capital investment) Post-harvest storage infrastructure including cold storage for agricultural and horticultural products Terminal markets Soil-testing laboratories

Sr. No.	Sector	Subsector
		Cold chain <sup>f</sup>

<sup>a</sup> includes supporting terminal

<sup>b</sup> includes strategic storage of crude oil

<sup>c</sup> includes city gas distribution network

<sup>d</sup> includes optic fibre/cable networks which provide broadband / internet

<sup>e</sup> includes medical colleges, paramedical training institutes and diagnostics centres

<sup>f</sup> includes cold room facility for farm-level pre-cooling for preservation or storage of agricultural and allied products, marine products, and meat.

3. The above list of sectors will be kept in line with the clause 5.2 (c) in Scheme for Infrastructure Financing through IIFCL (SIFTI) and its subsequent modifications, if any.

4. In order to be eligible for funding under the “Scheme for Financing Viable Infrastructure Projects through the India Infrastructure Finance Company Limited” (the Scheme), a project should meet the following criteria:

- (i) The project will be implemented (i.e., developed, financed, and operated for the project term) by
  - (a) a public sector company
  - (b) a private sector company selected under a private-public partnership (PPP) initiative
  - (c) a private sector company
- (ii) Provided that the Special Purpose Vehicle (SPV) will assign overriding priority to PPP projects that are implemented by private sector companies, selected through a competitive bidding process.
- (iii) Provided further that a private sector company, other than that defined in the first provision above, would not be eligible for direct lending by SPV and may be funded only through the refinance mode.
- (iv) The total lending for such private projects shall not exceed 20% of the lending program of SPV in any accounting year. The eligibility for direct lending and/or raising the limit of 20% will be reviewed at the end of one year based on the progress in funding public sector and PPP infrastructure projects.

## II. ENVIRONMENTAL AND SOCIAL SAFEGUARD POLICY

5. The IIFCL finances medium to large-scale infrastructure projects. They could generate adverse environmental and social impacts. As an environmentally informed and socially responsible financial institution, IIFCL is committed to avoid or mitigate adverse environmental and social impacts, if any, of the projects in its portfolio. For this purpose, IIFCL has an Environmental and Social Safeguard Policy (ESSP) and procedural framework to implement it.

6. The ESSP takes note of environmental and social safeguard requirements of its financial partners and lenders including multilateral and bilateral development financial institutions (DFIs).

7. The ESSP is guided by IIFCL’s commitment to integrate environmental protection and social development into its mandate in a proactive manner in order to contribute towards sustainable development. To achieve a balance between developmental imperatives, and environmental sustainability and social well-being in its operations, IIFCL:

- (i) gives due importance to environmental and social (E&S) considerations in

- appraising and financing infrastructure projects in order to avoid, minimize, and mitigate environmental and social adverse impacts and risks, if any; and
- (ii) is committed to comply with all relevant environmental and social policies, laws, and regulations of the Government of India (GOI) and states of India, and also remains responsive to E&S safeguard policy requirements of DFIs wherever DFI's Line of credit is involved.

8. The ESSP of IIFCL emphasizes its sensitivity to environmental and social safeguard issues of project that it finances, commitment to comply with its own environmental and social safeguard policy, and its responsiveness to environmental and social safeguard policy requirements of DFIs. The ESSP is implemented as per the procedures outlined in the Environmental and Social Safeguard Framework (ESSF) of IIFCL.

9. The ESSF provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with projects that it finances. It defines roles, responsibilities, and provides procedures to avoid, minimize, and mitigate any direct, indirect and potential:

- (i) adverse impacts/risks on environment,
- (ii) adverse impacts and risks of involuntary resettlement, and
- (iii) adverse impacts on tribal peoples and their communities that may arise from the implementation of such projects.

### **III. ENVIRONMENTAL AND SOCIAL SAFEGUARD FRAMEWORK**

10. The objectives of ESSF are to:

- (i) avoid any direct, indirect, and potential adverse environmental and social impacts/risks of projects that it supports;
- (ii) minimize or mitigate adverse environmental and social impacts/risks;
- (iii) ensure that minimization or mitigation of environmental and social impacts and risks meet the requirements of laws and regulations of GOI and states, and environmental and social safeguard requirements of DFIs;
- (iv) guide IIFCL, lead banks/designated lead syndicators, and borrowers in preparing projects for appraisal by IIFCL, and in monitoring, reporting, and in undertaking corrective actions, if any;
- (v) ensure that effective mechanisms are in place for safeguard compliance during project implementation, and to undertake corrective actions, if required; and
- (vi) develop institutional capacity of lead banks and sub-borrowers for safeguard compliance.

11. The ESSF applies to all projects financed by IIFCL through direct lending and refinance operations, and to public and private sector projects and DFI's safeguards compliance is applicable wherever DFI's funding assistance is involved<sup>1</sup>. All lead banks and subborrowers who seek financial assistance from IIFCL will conduct business in a manner that such business is compliant with ESSF.

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<sup>1</sup> An Addendum to this ESSF is provided in Annex G-5, describing the process to be followed for the World Bank assisted sub-projects.

12. The ESSF is fully integrated with the project cycle of IIFCL. The environmental and social due-diligence processes prescribed in ESSF will get triggered when a project enters into IIFCL's investment approval system. These processes will remain active until IIFCL's exposure to the project is completed.

13. The ESSF comprises of two sub-frameworks, namely, Environmental Safeguard Framework and Social Safeguard Framework. In the following sections, each Framework is elaborated.

#### **A. Environmental Safeguard Framework**

14. The Environmental Safeguard Framework (ESF) is based on GOI's environmental laws, regulations and especially on EIA Procedures found in the EIA Notification of 14 September 2006 and various amendments. The notification provides guidelines on screening projects, scoping their environmental impacts, obtaining environmental clearances, and environmental compliance monitoring during project construction and operation phases. At the same time, ESF draws best practices from environmental safeguard policies of DFIs. The ESF also fills in gaps between the local environmental safeguard requirements and the common environmental safeguard best practices of DFIs. The following three paragraphs highlights such gap filling actions incorporated in ESF.

- (i) The GOI's screening criteria for infrastructure development projects do not entail obtaining environmental clearances for water supply and sewerage projects, solar energy, wind power, electrical transmission line, and telecommunication lines. As a result, such projects do not require an environmental impact assessment. The environmental safeguard policies of DFIs, however, require such clearances and an environmental assessment for any physical infrastructure project, if it is expected to generate adverse environmental impacts. The ESF therefore applies to above mentioned sectors as well and requires appropriate environmental planning instruments for such projects.
- (ii) As per GOI procedures, a project proponent or its consultants conduct a public hearing before finalizing an EIA. The hearing is organized by the Central/State Pollution Control Board. The DFIs' environmental safeguard policies require the engagement of all project stakeholders early in the project cycle, namely, at the scoping stage of an EIA/IEE through consultation. In this context, ESF requires consultations with project stakeholders including project-affected persons (APs) during the formulation of an EIA for a project submitted for IIFCL's financing.
- (iii) The ESF outlines a comprehensive process of incorporating an environmental management plan developed as part of EIA/IEE in the concessionaire agreement and contract documents to make its implementation mandatory. The IIFCL will monitor the effectiveness of implementing the EMP. The ESF also provides for annual environmental audit in order to achieve compliance with environmental standards and to document lessons learned for future projects.

#### **1. The GOI's Environmental Policy and Regulatory Framework**

15. The key principles of environmental policy and regulatory framework of GOI that are incorporated in ESF are listed below. The GOI protects and improves the environment of India. This fundamental responsibility of GOI is enshrined in Articles 48A and 51A (g) of the Indian Constitution found in 42nd amendment, adopted in January 1977. These articles provide that

- (i) the state will protect and improve the environment and safeguard forests and



- (ii) wildlife of the country (Article 48A), and every citizen is bound to protect and improve the natural environment and to have compassion for living creatures [Articles 51A (g)].

16. The Ministry of Environment and Forests (MoEF) is the prime regulatory body of GOI for formulating environmental policies, laws and rules, and for issuing environmental clearance (EC) for any developmental project, as in the Schedule of the Environmental Impact Assessment (EIA) Notification, dated 14 September 2006 under the Environmental (Protection) Act, 1986.

17. The following are the key operational principles of GOI's Environmental Policy and Regulatory Framework which are incorporated in ESF.

- (i) The EIA system is primarily concerned with assessing direct and indirect impacts of a project on the biophysical and human environment, and ensuring that these impacts are addressed by appropriate environmental protection and enhancement measures.
- (ii) The EIA system supports project proponents in incorporating environmental considerations in project planning and in determining environmental impacts of their projects.
- (iii) Project proponents are responsible for determining and disclosing all relevant information needed for a methodical assessment of environmental impacts of their proposed projects.
- (iv) Review of an EIA by Central Regulatory Authority/State Environmental Impact Assessment Agency (SEIAA) is guided by the following criteria: (a) environmental considerations are integrated into overall project planning; and (b) the environmental impact assessment is sound, and the proposed environmental mitigation measures are effective.
- (v) Effective regulatory review of an EIA depends on timely, full, and accurate disclosure of relevant information in the EIA by project proponents to project stakeholders.
- (vi) Meaningful public participation is a part of EIA and it will be assessed in considering EC application.

18. In order to achieve effective implementation of the above operational principles, GOI updated its EIA Notification in September 2006. Table 2 provides highlights of the major improvements.

**Table 2: Major improvements in GOI's EIA Notification of 2006  
Compared with EIA Notification of 1994**

<b>EIA Notification 2006</b>	<b>EIA Notification 1994 (including amendments)</b>
<b>Decentralization of clearance process.</b> Projects under Schedule 1 have been divided into two categories, category A and B. Category A project will require clearance from the central government (MoEF). Category B will require clearance from the state government. The state governments will first classify if the B project falls under B1 or B2 category. B1 project will require an EIA report while B2 project will not require an EIA report.	Proponent desiring to undertake any project listed in Schedule 1 had to obtain clearance from the central government.
<b>Screening process.</b> Well-defined screening	The project proponent assesses/screens if the

<b>EIA Notification 2006</b>	<b>EIA Notification 1994 (including amendments)</b>
process with projects divided into two categories.	proposed activity/project falls under the purview of environmental clearance, then the proponent conducts an EIA study either directly or through a consultant.
<b>Scoping defined.</b> The new notification defines and includes scoping. The responsibility for determining the terms of reference (TOR) lies with the Expert Appraisal Committee. The determination will be done in case of category A and category B1 projects. The final TOR shall be displayed on the website of MoEF and concerned State/Union Territory Environment Impact Assessment Authority (SEIAA).	Scoping was not applicable. The TOR was completely decided by the proponent without any public consultation.
<p><b>Public consultation.</b> All category A and category B1 projects will have to undertake public consultation except for in six activities for which public consultation has been exempted. Some of the projects exempted include expansion of roads and highways (not involving further acquisition of land), modernization of irrigation projects, etc. Some of these may have potential social and environmental impacts.</p> <p>The responsibility for conducting the public hearing still lies with the state PCBs.</p> <p>The public consultation will essentially consist of two components—a public hearing to ascertain the views of local people and obtaining written responses of interested parties.</p> <p>The notification makes provision that MoEF shall promptly display the summary of draft EIA report on its website and also make the full draft EIA report available in the ministry's library at New Delhi for reference.</p> <p>No postponement of the time, venue of the public hearing shall be undertaken, unless some untoward emergency situation occurs and only on the recommendation of the concerned district magistrate. This was not a part of the earlier notification.</p> <p>The SPCBs or Union Territory Pollution Control Committee shall arrange to video film the entire proceedings. This was also absent in the earlier notification and may be considered as a good move to ensure that public hearing is proper.</p>	<p>The project proponent has to write to SPCB to conduct public hearing.</p> <p>The state boards would be responsible for publishing notices for environmental public hearings in at least two newspapers widely circulated in the region around the project, one of which shall be in the vernacular language of the locality concerned.</p>

EIA = Environmental Impact Assessment, MoEF = Ministry of Environment and Forests, PCB = Pollution Control Board, SPCB = State Pollution Control Board

19. A detailed description of the EIA and EC system of GOI is presented in **Annex E-1**. The ESF of IIFCL incorporates specified requirements of the new EIA Notification (**Annex E-2**).

Table 3 outlines the key elements considered in establishing equivalence between GOI environmental policy and regulatory framework and environment safeguard policies of DFIs.

**Table 3: Elements Considered in Assessing Equivalence between GOI's Environmental Policy and Regulatory Framework and DFIs Environmental Safeguard Policy Requirements**

Item	Requirements
Overview	<ul style="list-style-type: none"> <li>• Purpose of their application</li> <li>• Topic/scope</li> <li>• Projects requiring environmental assessment</li> <li>• Legal requirements/standards applied</li> <li>• General responsibilities</li> <li>• Timing</li> </ul>
Screening	<ul style="list-style-type: none"> <li>• Screening process</li> <li>• Screening tools</li> <li>• Categories</li> <li>• Overriding criterion for categorization</li> <li>• EA activities as a result of screening</li> <li>• Screening responsibilities</li> </ul>
Terms of Reference (TOR) for EA	<ul style="list-style-type: none"> <li>• Responsibilities for TOR preparation and review</li> <li>• Tools and method to be used</li> <li>• Standards applied</li> </ul>
EA documentation	<ul style="list-style-type: none"> <li>• Contents</li> <li>• Responsibilities for EA studies</li> <li>• Responsibilities for reviewing EA studies</li> <li>• Language in which EA studies are reported</li> </ul>
Impact mitigation	<ul style="list-style-type: none"> <li>• Principles of mitigation</li> <li>• Environmental Management Plan (EMP)</li> </ul>
Consultation and disclosure	<ul style="list-style-type: none"> <li>• Public consultation requirements</li> <li>• Information disclosure requirements</li> </ul>
Implementation and monitoring	<ul style="list-style-type: none"> <li>• Responsibilities for ensuring implementation of EMP</li> </ul>

EA = environmental assessment

20. **Annex E-3** presents the results of the broad comparison between GOI's Environmental Policy and Regulatory Framework and environment safeguard policy requirements of DFIs. It shows that GOI's Environmental Policy and Regulatory Framework has significant commonalities with environment safeguard policies of DFIs. The gaps and differences are limited to categorization, public consultation, and grievance redress mechanism, references to the World Bank Group Environmental, Health and Safety Guidelines including standards. Such differences and gaps will be addressed, where necessary, by closely following DFI environmental safeguard requirements in those cases wherever project comes for IIFCL's participation before technical closure and wherever DFI's funding assistance is involved (**Annex E-4**).<sup>2</sup> Each project will also be screened against the Prohibited Investment Activities List (PIAL) of DFIs as well. A list of PIAL activities is given in **Annex E-5**.

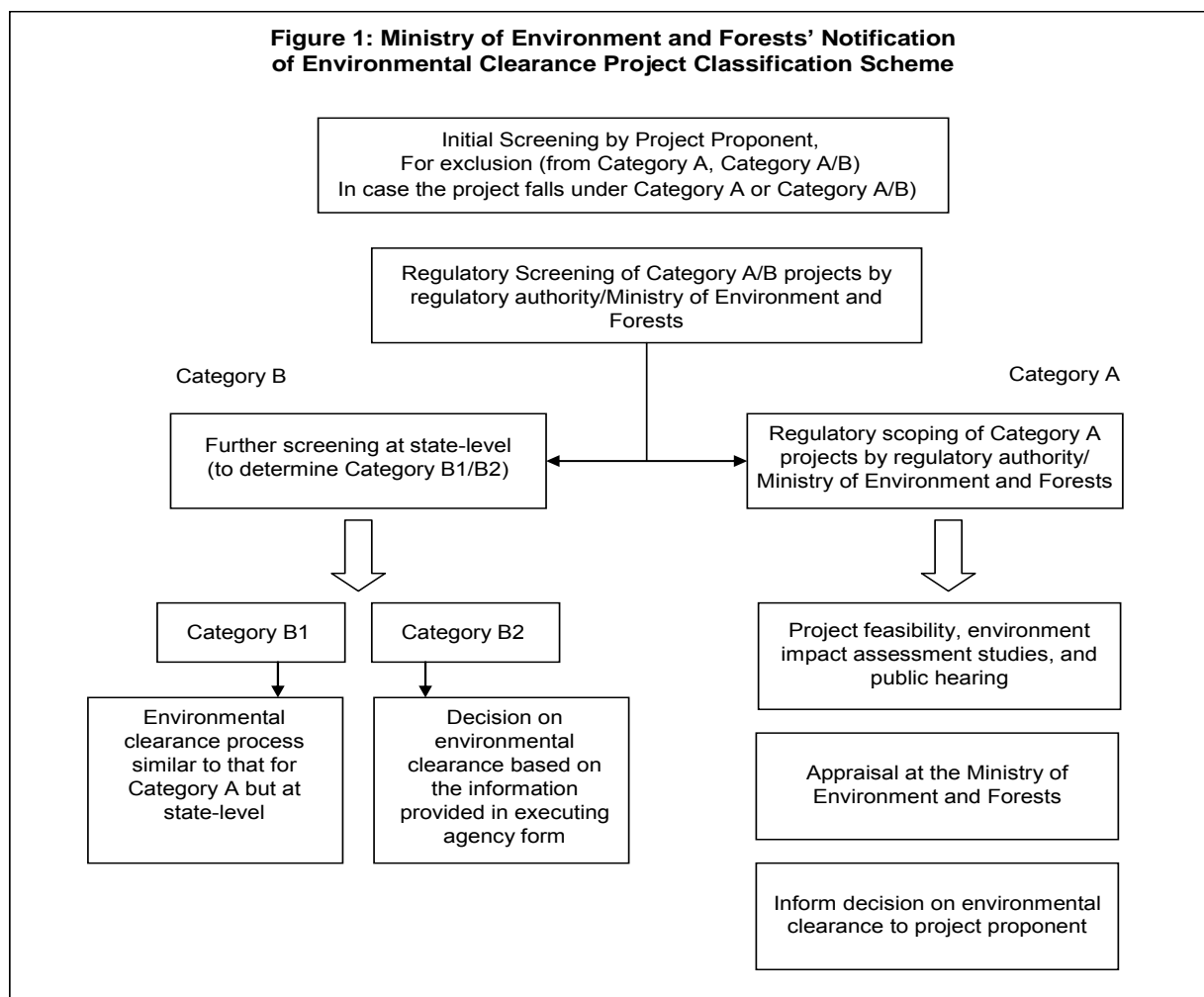
<sup>2</sup> GOI uses thresholds for categorization in addition to project type and location. Some DFIs recommend a two-stage public consultation process or the conduct of a meaningful consultation process against single step public hearing followed by GOI. In addition, there is a period of 120 days of disclosure for category A projects as per the requirements of DFIs. DFIs' recommended standards and pollution prevention approaches broadly fall within the scope of the World Bank Group Environmental, Health and Safety Guidelines. The GOI follows national standards as prescribed by the Central Pollution Control Board. The State Pollution Control Boards can, however, specify stricter standards than the national standards depending on the sensitivity of the location. In case project-specific circumstances dictate the use of less stringent standards, a full and detailed justification is needed for the proposed alternative. The justification should demonstrate that the proposal is consistent with the DFI's safeguard requirements.

21. The adoption of GOI's environmental policy and regulatory framework, responsiveness to DFI's safeguard requirements with procedures appropriate to IIFCL supported by guidance to lead banks/borrowers, system of prioritized monitoring, audit, and disclosure of planning and monitoring reports place IIFCL's ESSF on par with that of environmental safeguard policy requirements.

## **2. Steps in Checking a Project for its Environmental Safeguard Compliance**

22. The MoEF's notification on environmental clearance (EC) follows a project classification scheme (**Figure 1**). This classification takes project type, size, and sensitivity of location into consideration (**Annex E-2**).

23. The IIFCL will use the above categorization to prioritize the appraisal and safeguards compliance monitoring process. As explained in **Annex E-2**, projects under category A and B1 require EIA and are processed for EC at MoEF and state-level, respectively. Category B2 does not require EIA but needs information to be submitted in a prescribed format to the State Department of Environment for review. Projects under category B1 may get re-categorized into A, if general conditions (GCs) are violated that consider site sensitivity (Please refer to Annex E-2 for details of General conditions as per GOI's EIA Notification).



24. The operational steps of ESF apply to three scenarios:

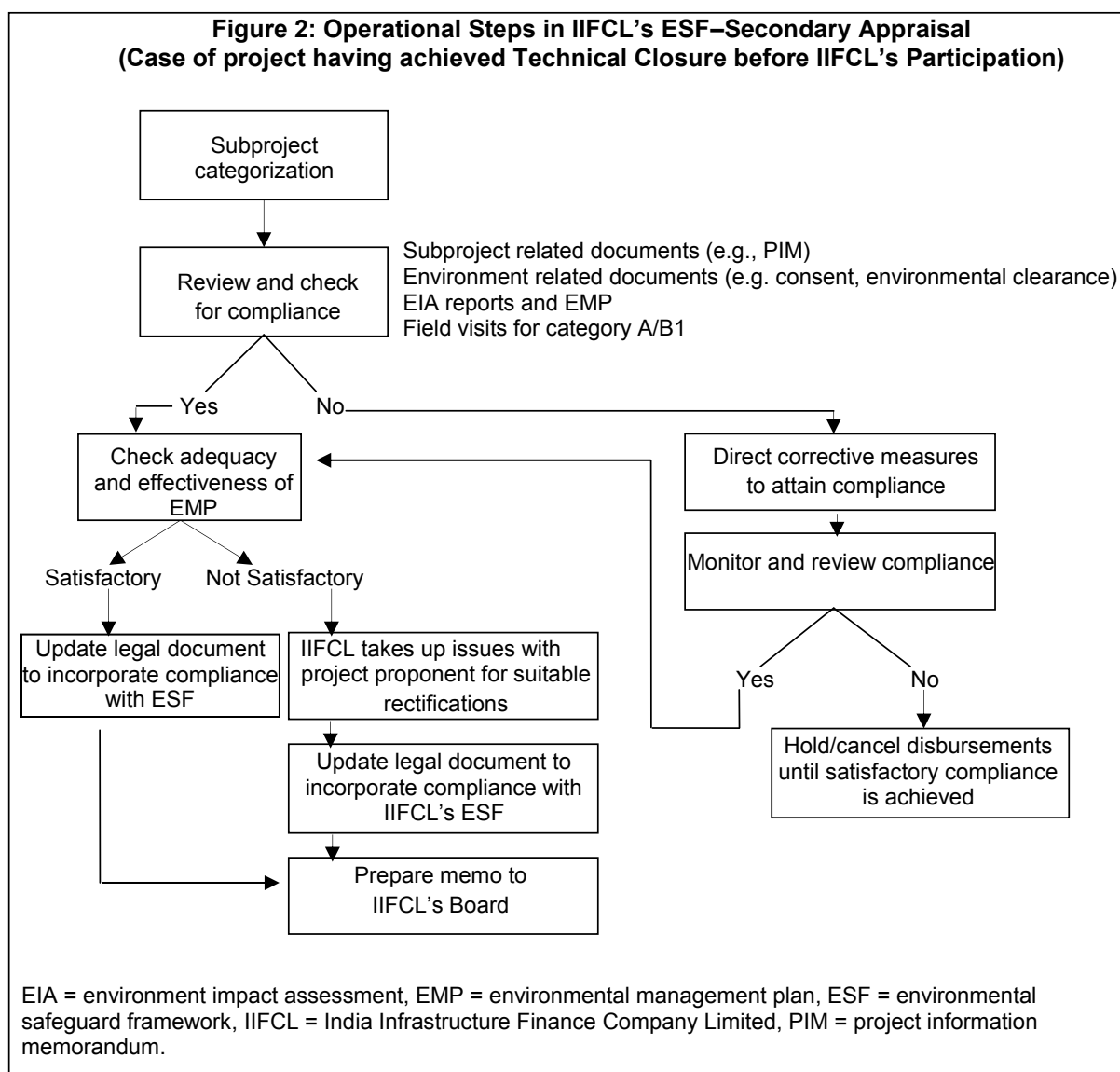
- (i) Scenario A: Project that have achieved technical closure before IIFCL's participation (Secondary Appraisal)
- (ii) Scenario B: Projects that have not achieved technical closure before IIFCL's participation (Primary Appraisal)
- (iii) Scenario C: Safeguards Appraisal of Projects under Take-out Finance Scheme

**a. Scenario A: Process for Conducting Secondary Appraisal**

25. The IIFCL associates with the project at a late stage of project development and as a result, does not undertake a primary appraisal of the project. As a result, for projects that (i) expect retroactive financing, or (ii) are in an advance stage of processing, i.e., a project that enters IIFCL pipeline just before financial closure, IIFCL relies upon the appraisal of the lead bank/project developer for environmental and social due diligence. Under a secondary appraisal, environmental due diligence begins after the receipt of primary appraisal (on environmental safeguards) along with relevant documents and information from lead bank/lead syndicator (Figure 2). The list of relevant documents and information required as part of the secondary appraisal is given in **Annex E-6**. The prime responsibility of secondary appraisal rests with the Head, Environment and Social Safeguards Management Unit (ESMU) of IIFCL.

26. Upon receipt of the required documents, ESMU will check the project for compliance with the quality checks applicable at various stages of project cycle. The steps to be followed shall include the following:

- (i) Categorize subprojects as per A/B1/B2 following guidelines of MoEF as in the latest EIA notification. Refer to **Figure 1 and Annex E-2**.
- (ii) Categorize subprojects as per environmental safeguard policy guidelines of the DFIs. If more than one DFI is participating in financing the project, and if the categorizations of DFIs differ, then assign the highest category.
- (iii) If there is a difference between the categorization based on the EIA Notification and the categorization of ESF, then the higher between the two categories will be applied.
- (iv) If there is no clear guidance in the EIA Notification, ESF scheme of categorization will be followed.
- (v) Check environment compliance. See **Annex E-7, E-8, E-9 and E-10** for applicable laws and regulations. Verify approvals from SPCB (consent to establish and operate), environmental clearance from State Department of Environment/MoEF, Coastal Regulation Zone (CRZ), and forest clearances, if applicable, and whether processes and procedures, especially related to public consultation and disclosure (e.g. public hearing) are correctly followed. To facilitate the required consultations with project-affected groups and local nongovernment organizations, IIFCL will ensure that the project proponent provides relevant information on the project's environmental issues in a form and language(s) accessible to those being consulted. The IIFCL will also ensure compliance with the 120-day disclosure requirement of EIA for a category 'A' project. It will also check the conformity of the project with the standards and approaches recommended by the Pollution Prevention and Abatement Handbook of the World Bank. In case the project's EA report recommends the adoption of alternative emission levels and approaches to pollution prevention and abatement to best reflect national legislation and local conditions, the EA report must justify the levels and the approaches chosen for the project or site.
- (vi) Identify gaps, if any, on environmental compliance. If there are no gaps, then review the EIA report and the adequacy of Environmental Management Plan (EMP). Please see **Annex E-11** for guidance. For category A and B1 projects, an environmental specialist will visit project sites.
- (vii) If there are gaps on environmental compliance, then direct the lead bank/project proponent to submit action plan with a time frame to attain safeguard compliance. Hold disbursements until safeguard compliance is achieved.
- (viii) Monitor and review whether the agreed gap-filling measures are satisfactorily met on time. If there is a consistent default in meeting safeguard compliance, cancel further disbursements.
- (ix) For a safeguard compliant project, if the review of EMP shows its adequacy and appropriate reflection in the project costs, then update legal documents to reflect the applicability of ESF of ESSF as binding during the period of engagement. Take appropriate approval from the IIFCL Board.
- (x) If the review of EMP shows its inadequacy and/or inappropriate reflection in project costs, IIFCL will take up these issues with the project proponent for required rectifications.
- (xi) Update legal documents that reflect applicability of ESF of ESSF as binding during the period of engagement.



### b. Scenario B: Process for conducting Primary Appraisal

27. For a project entering IIFCL's pipeline at the stage of conceptualization, IIFCL will have higher ability to apply ESSF in financing project. The procedure mentioned below will be relevant for all new projects entering into IIFCL's project life cycle at the stage of actual project development, before technical closure. Following steps will be followed by IIFCL in applying the requirements of ESF for a project that is not yet committed (Figure 3).

- (i) At an initial stage of identifying a project for financing and where funds of a DFI are likely to be used, the ESMU will screen the project against the Prohibited Investment Activities List (PIAL) (**Annex E-5**). If the project involves a prohibited activity, IIFCL will inform the lead bank/subproject proponent that the project will not be considered.
- (ii) The ESMU will categorize the subproject following the guidelines of MoEF based

- on the EIA notification (**Annex E-2**).
- (iii) The ESMU will also categorize the projects as per ESF guidelines. If there is more than one DFI participate in financing the project, ESMU applies categorization criteria of each participating DFI. If categorizations differ, ESMU will assign the highest category (**Annex E-3**).
- (iv) If there is a difference between categorization based on EIA Notification of GOI and the categorization done as per ESF, ESMU assigns the higher category of the two to the project.
- (v) In case there is no guidance in the EIA Notification on project categorization for a particular sector, ESMU follows ESF scheme of categorization which is based on categorization criteria of DFI (ADB’s Safeguard Policy Statement).
- (vi) The ESMU categorizes the project as one of the following: category A (with potential significant environmental and/or social impacts); category B (with less significant environmental and/or social impacts), and category C (with minimal or no impacts).
- (vii) The IIFCL informs the lead bank/subproject proponent of the applicable requirements. For a project with potential significant environmental impacts, ESMU will advise the lead bank/project proponent that (a) safeguard requirements of DFIs will apply including the need for an environmental impact assessment (EIA) and an EMP (**Annex E-4**);<sup>3</sup> and (b) it will submit these reports to IIFCL for review. The IIFCL will also submit these reports to DFIs for their review and concurrence. Outlines for an EIA and EMP are provided in **Annex E-12**.
- (viii) Based on the review of the Periodic Audit and Monitoring Reports for category A and B projects prepared and submitted by the lead banks/project proponent, ESMU will prepare Periodic Environmental Performance Report substantially in the form of **Annex E-17** and submit it to IIFCL and participating DFIs for review. The report will also source information related with safeguards compliance status from the independent environmental audit which is to be conducted by a third party.

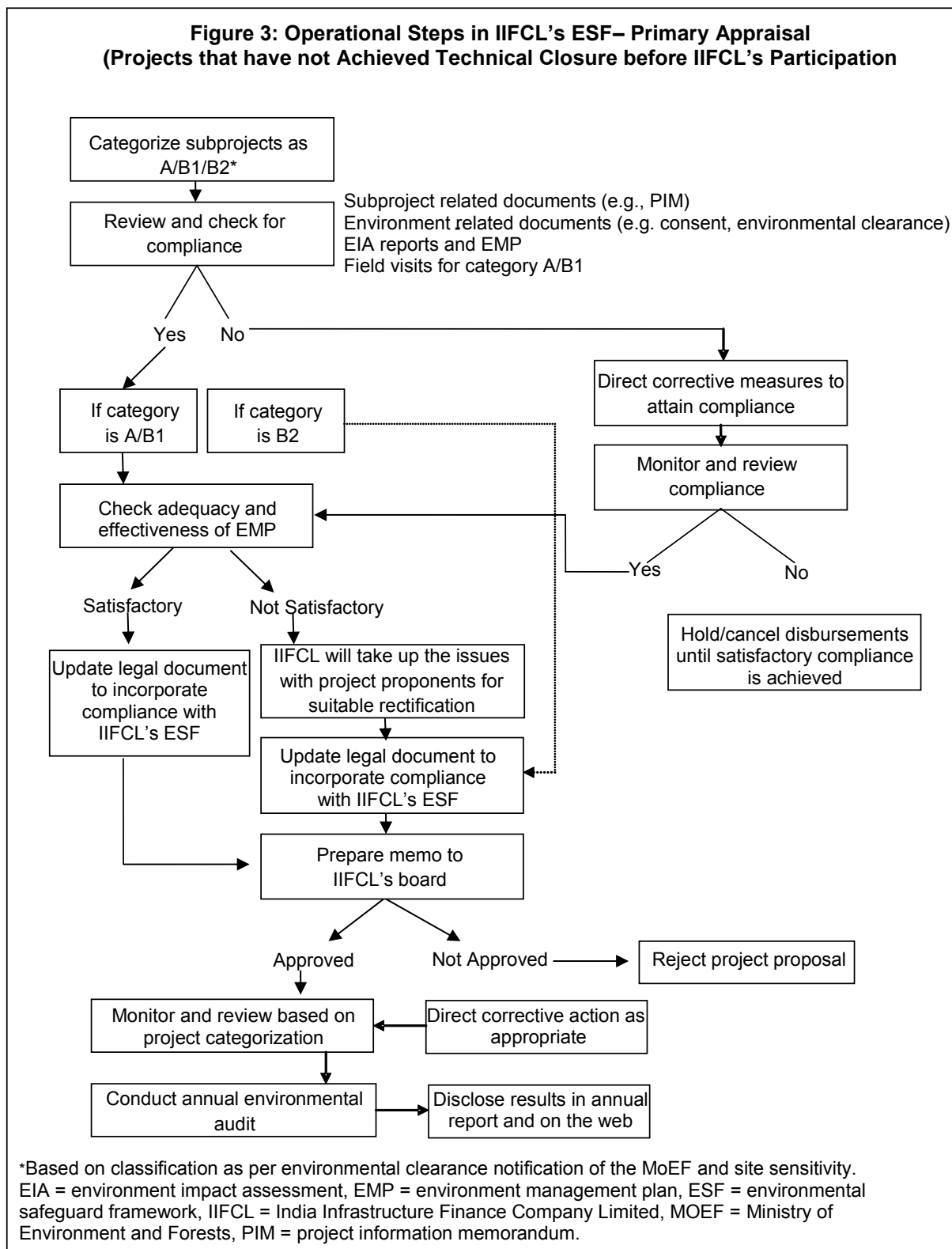
**Table 4: Environmental Safeguard Requirements**

Category (Risk Rating)	Environmental Safeguards
Category A (with potential significant impacts)	Comply with (i) safeguard requirements of DFIs Safeguard Policy requirements including EIA preparation & submission, and (ii) national laws and regulations
Category B (with less significant impacts)	Comply with national laws and regulations
Category C (with minimal or no impacts)	Comply with national laws and regulations

<sup>3</sup> Annex E-4 was derived from Appendix 1 of the ADB Safeguard Policy Statement (2009).



**Figure 3: Operational Steps in IIFCL's ESF– Primary Appraisal  
(Projects that have not Achieved Technical Closure before IIFCL's Participation)**



**c. Scenario C: Safeguards Appraisal of Projects under Take-out Finance Scheme**

28. Under Take-out Finance Scheme, IIFCL’s engagement in any project takes place after completion of the construction phase of the project. The disbursement of “take-out” generally will take place 1 year after the actual commercial operation date (COD) of the project, except in cases of PPP roads projects (annuity basis) and other sectors as approved by the Empowered Committee. In such cases, take-out can take place immediately after COD.

29. The following procedures will be guide environmental safeguard appraisal of any project which enters IIFCL’s project life cycle after achieving COD:

30. As IIFCL’s participation in Takeout Finance Scheme takes place only during the operation phase of a project, its role in environmental and social due diligence would be limited to ensuring safeguard compliance applicable to the post-COD phase.

31. The post-COD project safeguard appraisal essentially follows a check list approach. The Environmental Specialists and Social Specialists of IIFCL will review the project for compliance with the quality checks applicable at various stages of project development based upon available documents as provided by lead bank/project developer. The checklist for information required for reviewing safeguards compliance and the implementation status in any project is in **Annex-13**.

32. Operational phase monitoring and reporting arrangement for environmental safeguard compliance will be ascertained by reviewing the implementation of its EMP.

33. Operational risks typically arise during project operations which could lead to further regulatory action such as corrective action plans or public protest. To mitigate such risks, IIFCL will request the lead bank to seek regular operational phase reports and seek corrective measures by the project proponent in case of non-compliance of standards or adverse impact on population. To ensure compliance, IIFCL will include suitable covenants in the Take-out Finance Scheme related documents. For safeguards compliance requirements of any project during operational phase, the applicable environmental safeguards categorization criteria are given in Table 5 below.

**Table 5: Environmental Safeguard Requirements for Post-COD Projects**

<b>Category (Risk Rating)</b>	<b>Environmental Safeguards</b>
Category A (with potential significant impacts during operation phase)	Comply with (i) Safeguard requirements of the DFIs safeguard policies including EIA preparation and submission, and (ii) national laws, regulations and regulations
Category B (with less significant impacts during operation phase)	Comply with national laws and regulations
Category C (with minimal or no impacts during operation phase)	Comply with national laws and regulations

**3. Environmental Due Diligence**

34. The ESMU will follow the following steps in conducting environmental due diligence.

- (i) The ESMU undertakes environmental due diligence of each project. Depending on the complexity of the project, due diligence take the form of a desk review (for

category C project) or a report based on a site visit (for category B project), or a full-scale review conducted by ESMU (for category A project). The lead bank/project proponent will provide required information and data to IIFCL and will demonstrate sufficient responsiveness to all applicable environmental safeguard requirements including that of participating DFIs if DFI's assistance is also involved.

- (ii) The ESMU review project documents for their compliance with GOI and state environmental laws and regulations (**Annex E-7, E-8, E-9 and E-10**). The ESMU verifies the consent of SPCB (consent to establish and operate), environmental clearances from State Department of Environment/MoEF, CRZ, and forest clearances, if applicable, and whether processes and procedures, especially related to public consultation and information disclosure (e.g. public hearing) are adequately followed. For projects with potential significant adverse environmental impacts, ESMU also checks the project's safeguard compliance with participating DFI's safeguard requirements (**Annex E-4**) in case if the project is to receive the DFI's funding.
- (iii) If there are gaps on environmental safeguard compliance, an inadequacy and/or inappropriate reflection on project safeguard compliance in reports submitted by the Lead bank or project proponent, IIFCL will agree with the lead bank/project proponents to formulate targeted corrective actions to attain the project's safeguard compliance. The IIFCL will take up these compliance gaps/issues with project proponent for required rectification.
- (iv) The ESMU staff of IIFCL prepares the environmental and social due diligence reports for category A and B subprojects and shares them with project proponents. In case if any safeguard non-compliance is noted, then corrective actions are suggested and follow up is done with the project proponent. An outline of a due diligence report is at **Annex E-14**.
- (v) In case of a category A project which is being considered by IIFCL to fund with DFI contributions, IIFCL will refer it to the respective DFI with all relevant environmental information of the project early in the due diligence process. The IIFCL will also submit to the DFI the draft EIA report together with EMP for review and approval before the project is considered by IIFCL's board. The EIA report will be made publicly available at least 120 days before the IIFCL board considers the project.
- (vi) The ESMU ensures that legal documents will contain appropriate environmental covenants requiring investments to be in compliance in all material respects with the applicable environmental safeguard requirements and reflecting the applicability of ESF as binding during the period of engagement.

#### **4. Safeguard Compliance Monitoring and Reporting**

35. The following procedures will apply for both scenario A and scenario B projects.

- (i) After a category A or B subproject is approved, IIFCL (a) communicates with the lead bank/project proponent from time to time to verify whether the project has met applicable environmental safeguard requirements. It will promptly report any actual or potential breach of compliance requirements to the lead bank and request correctional actions immediately. For a category A project, ESMU will visit the site periodically to monitor the implementation of the EMP.<sup>4</sup>

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<sup>4</sup> For a category A subproject investment with facilities and/or business activities that already exist or are under

- (ii) Each approved project will be evaluated for its environmental safeguard compliance performance annually. The benchmark for performance will be the ongoing compliance against the applicable environmental safeguard requirements. The project proponent will submit periodic environmental monitoring report to IIFCL for various project activities for which scope of environment monitoring is suggested in **Annex E-15**. The IIFCL will also prepare and submit an Annual Environmental Compliance Monitoring and Evaluation Report to DFI (**Annex E-16**), and will review and assess the project's environmental safeguard performance.

## **B. Social Safeguard Framework**

### **1. Objectives of Social Safeguard Framework (SSF)**

36. The SSF is an integral component of ESSF. The key objective of SSF is to guide lead banks and borrowers on safeguards policy issues in preparing projects for appraisal at IIFCL and in conducting subsequent monitoring of project implementation, reporting, undertaking corrective actions, if any. Development or expansion of infrastructure projects tends to cause involuntary resettlement (IR) impacts on persons and communities including tribal peoples. Where tribal peoples are the project-affected persons, a project can have impacts on their communal and cultural interests, rights and livelihoods. If a project has direct impacts on their ancestral domain, tribal knowledge or their control over natural resources, it is necessary to hold meaningful consultations with them to obtain their free, prior and informed consent for the project to proceed as per the national laws, regulations, procedures and safeguards policies of participating DFIs.

37. Other key objectives of SSF are to ensure that project-affected persons benefit from the proposed projects to the extent possible, and that they are consulted about the project throughout its life.

38. The IIFCL will ensure that IR impacts of any project submitted for financing are dealt with closely following the policy and legal instruments listed given below:

- (i) Applicable GOI and state laws and regulations governing land acquisition, compensation, relocation, and resettlement
- (ii) Lenders' safeguard policies on IR impacts, and
- (iii) Involuntary resettlement safeguards policy requirements of participating DFIs.

39. The SSF is based on the following key principles regarding involuntary resettlement:

- (i) Avoid physical displacement and involuntary relocation, if feasible.
- (ii) Explore alternatives to avoid physical displacement and involuntary relocation
- (iii) Minimize involuntary relocation, if physical displacement is unavoidable.
- (iv) Consult all project-affected persons (PAPs) on land acquisition, compensation, relocation and income rehabilitation.
- (v) Disseminate project information among all PAPs.
- (vi) Ensure PAPs receive compensation, resettlement assistance and income rehabilitation support so that they could improve or at least restore their

- livelihoods and sources of income to the pre-project level.
- (vii) All PAPs are eligible compensation and resettlement assistance programmes regardless of title to the land.
- (viii) The cut-off date for eligibility should be the date of first notification for land acquisition.
- (ix) Compensation for loss of assets must be at replacement value (**Annex S-1**).
- (x) A comprehensive entitlement matrix is formulated to describe entitlements of each category of PAPs (**Annex S-2**).
- (xi) Full compensation must be paid prior to taking over the land and other assets.
- (xii) Project information should be disseminated in a timely fashion, consultations held with all affected persons, and plan versions and monitoring reports disclosed at regular intervals in local languages.
- (xiii) Independent monitoring system to monitor the implementation of the involuntary relocation programme should be incorporated in RP.
- (xiv) Detailed timetable for RP implementation
- (xv) Detailed budget and sources of budget for compensation, relocation, and rehabilitation of PAPs.

40. The term “affected person” applies to any person, household, community, firm, or private institution that would get affected by a project. In case of individuals, such a project would affect (i) their standards of living; (ii) right, title, or interest in any house, land (including residential, commercial, and agricultural land, forests, and pastures), water resources, or any other moveable or fixed assets, permanently or temporarily; and/or (iii) business, occupation, and place of work or residence.

41. The SSF is based on the following key principles regarding tribal peoples safeguards

- (i) Screen the affected population to determine whether tribal peoples (TP) are present in the project area and the project is likely to have any impact on them
- (ii) Conduct a SIA to understand their socioeconomic conditions so that adverse project impacts on them could be avoided or minimized and their participation in sharing project benefits is increased.
- (iii) Undertake a meaningful consultation with them and their TP organizations
- (iv) Obtain their consent for acquiring their ancestral land, commercial development of natural resources within customary lands under use, and commercial development of TP cultural resources and knowledge.
- (v) Avoid acquisition of ancestral lands and physical displacement of TP.
- (vi) Avoid any restrictions on their access to their ancestral domain
- (vii) Prepare a TDP based on SIA to address all impacts on TPs and to resolve them in a culturally appropriate manner without harming their culture, religion or identity
- (viii) Disclose TDP and consultation findings and SIA widely and on websites
- (ix) Prepare an Action Plan for legal recognition of customary rights to ancestral domains when land is acquired for projects and TP are physically displaced.
- (x) Monitor TDP implementation through participatory monitoring approach and disclose monitoring reports

42. The SSF recognizes the needs of the poorest affected persons and vulnerable groups who are at high risk of impoverishment and further marginalization because of project interventions.

## 2. Social Safeguard Policy Compliance Review Process

43. The operational steps of SSF consider three scenarios.

- (i) Scenario A: projects that have achieved technical closure before IIFCL's participation (secondary appraisal).
- (ii) Scenario B: projects that have not achieved technical closure before IIFCL's participation (primary appraisal)
- (iii) Scenario C: safeguards appraisal of projects under take-out finance scheme.

### a. Scenario A: Process for Conducting Secondary Appraisal

44. The IIFCL engages with a project at a later stage of project development and as a result, does not undertake a primary project appraisal. Such projects take the form of (i) retroactive financing, or (ii) a project in advance stages of processing, i.e., the project enters IIFCL pipeline just before financial closure. In such projects, IIFCL relies upon the lead bank/lead syndicator and project proponent for environmental and social safeguard due diligence and appraisal. Under the secondary appraisal mode, social due diligence begins after the receipt of primary appraisal (on social safeguards) along with relevant documents and information from lead bank/lead syndicator. The list of relevant documents and information required as part of the secondary appraisal is given in **Annex S-3**. The prime responsibility of secondary appraisal rests with the Head, ESMU.

45. Upon receipt of the required documents, ESMU will check the project for social safeguard compliance. The steps to be followed:

- (i) Screen proposed subprojects for involuntary resettlement impacts and impacts on tribal peoples.
- (ii) Review Resettlement Plan (RP) and/or Tribal Development Plan (TDP) against the involuntary resettlement and tribal peoples safeguard principles listed in SSF.
- (iii) If RP/TDP implementation shows any serious weakness or prolonged delay, IIFCL will discuss such issues with the project proponent and agree on required rectifications.
- (iv) Identify gaps, if any, between involuntary resettlement and tribal peoples safeguard requirements listed in SSF and project borrower/client's social safeguard policy. If there are gaps, direct lead bank/project proponent to prepare targeted actions to address them within a specified time frame in order to attain safeguard compliance. Hold disbursement until safeguard compliance is achieved.
- (v) Monitor and review whether the agreed gap-filling measures are satisfactorily met in stipulated time. If there is a consistent default, then cancel any further disbursements.
- (vi) Update legal documents that reflect applicability of SSF as binding during the period of IIFCL's engagement in the project.

### b. Scenario B: Process for Conducting Primary Appraisal

46. Regarding projects that enter its project pipeline at the stage of their conceptualization, IIFCL will be in a better position to apply SSF requirements fully in financing project. The procedures mentioned below will apply to all new projects entering into IIFCL's project life cycle at the stage of project development, and before technical closure.

- (i) Categorize the impacts of the project to ascertain whether it will have involuntary resettlement impacts or impacts on tribal peoples or both (**Annexes S-4 and S-5**). The IIFCL, based ESMU's review of the borrower's reports and consultations with lenders, will determine the magnitude of IR impacts of the project and decide whether or not a RP is required (see **Annex S-6** for RP format). An RP will be required if involuntary resettlement impacts are "significant" (category A). This means 200 or more persons will experience major project impacts such as being physical displaced or losing 10% or more of their productive assets which generate income. If less than 200 persons are estimated to experience above impacts, the project will be categorized as "less-significant" (category B) and it will require a RP to address them. No or insignificant involuntary resettlement impacts on persons will be categorized as C for which no RP is required.
- (ii) If the project has any impacts (positive or adverse) on tribal peoples, a determination will be made with the assistance of an expert on tribal studies as to the magnitude and significance of the impacts and whether or not to prepare a TDP. The impacts of a project on tribal peoples will be considered as "significant" (category A), if they positively or adversely (a) affect their customary rights of use and access to land and natural resources; (b) change their socioeconomic status; (c) affect their cultural and communal integrity; (d) affect their health, education, livelihood, and social security status; or (e) alter or undermine the recognition of tribal knowledge. "Less significant" impacts on tribal peoples will be categorized as B. No or insignificant impacts on tribal peoples will be categorized as C. In case of category A impacts, a TDP will be prepared. In case of category B, safeguard specialists who have determined the degree of significance of project impacts on tribal peoples will decide whether to formulate a TDP or to incorporate elements of a TDP in the project's RP (**Annex S-7** for TDP format).
- (iii) Prepare required planning instruments such as RP and TDP based on the above categorization(s) and determinations. See **Annex S-8** for applicable policies, laws and regulations.
- (iv) If a RP and/or TDP are submitted, review them for their adequacy and safeguard compliance against IR principles incorporated in SSF. Identify gaps, if any, between SSF and the project borrower/client's social safeguard policy. If there are gaps, the borrower/client will address them in the RP/TDP before approving them. In RP and/or TDPs will include summaries of field level consultations and decisions. This is to be done by a social safeguards specialist.
- (v) Disbursements should not be made until the RP/TDP is considered as satisfactory by ESMU. This means, the RP/TDP covers all domestic laws and regulations as well as the safeguards requirements listed in safeguard policies of participating DFIs pertaining to the project's social impacts in case if the project is posed for DFI's funding.
- (vi) Monitor and review whether the agreed gap-filling measures are satisfactorily met in the stipulated period of time. If there is a continuing default, cancel further disbursements until a corrective action plan is formulated and implemented to fill such gaps.
- (vii) If a project is found to be compliant with social safeguard (IR and tribal peoples) requirements, update legal documents to reflect the applicability of IIFCL's commitment to the RP and/or TDP as binding during the period of engagement. Obtain approval of the IIFCL board for the project.
- (viii) If the review of the RP and/or TDP shows their significant safeguard inadequacies IIFCL will contact project proponent to obtain required

rectifications. Update legal documents to reflect the applicability of IIFCL's social safeguard plans as binding during the period of engagement.

- (ix) Revise RP and/or TDP on completion of detailed project design, as necessary.
- (x) Monitor RP and/or TDP and prepare monitoring reports. Submit them to participating DFIs for review.
- (xi) Link the project closure to satisfactory completion of social safeguard requirements as per RP and/or TDP.

### **c. Scenario C: Safeguards Appraisal of Projects under Take-out Finance Scheme**

47. Under the take-out finance scheme, IIFCL's participation in a project will take place after the completion of project's construction phase. The disbursement of "take-out" generally will take place 1 year after the actual commercial operation date (COD) of the project except in cases of PPP roads projects (annuity basis) and projects that may receive the approval of the Empowered Committee. In such cases, the "take-out" can take place immediately after COD.

48. The following procedure will apply to social safeguards appraisal of any project which enters IIFCL's project life cycle after achieving COD:

- (i) As IIFCL cannot appraise social safeguard compliance during project construction phase, it will for environmental and social due diligence relies on the appraisal done by lead bank/project developers.
- (ii) The post-COD project safeguards appraisal essentially follows a check list approach and relies upon the fact that the lead bank has already reviewed the project for safeguard compliance. The Social Specialist of IIFCL will check the project for compliance with the quality checks applicable at various stages of project development based upon available documents as provided by lead bank/project developer. The checklist for information required related with safeguards compliance and implementation status of a project is attached at **Annex S-9**.
- (iii) The safeguard compliance monitoring and reporting arrangements during the operational phase of the project will be checked. If they are found to be inadequate, IIFCL will contact the Lead Bank/Project developer and discuss necessary arrangements to gain social safeguard compliance.
- (iv) In case of projects that enter IIFCL's pipeline after passing their construction stage, the Lead bank may not have adequate information on compliance of social safeguards. In such a situation, IIFCL will try to collect additional information through site visits and consultations with affected persons. The IIFCL will also sensitize project developers on how to fill the gaps in social safeguard compliance and update legal documents to reflect applicability of SSF as binding during the period of engagements.
- (v) Operational risks typically arise during project operations which could lead to further regulatory action such as corrective action plans or public protest. To mitigate such risks, IIFCL will request the lead bank to seek regular operational phase reports and seek corrective measures by the project proponent in case of non-compliance of standards or adverse impact on population. To ensure compliance, IIFCL will follow-up with the lead bank to include suitable covenants in operation and maintenance contracts.



### 3. Social Safeguard Due Diligence

49. The ESMU prepares the social due diligence report for each project. The due diligence report will be shared with the project proponent and if DFI funds are involved in financing the project, the due diligent report together with all planning instruments such as SIA, RP, and TDP will be sent to the participating DFI for review and approval.

50. Depending on the complexity of the project, due diligence can be a desk review (for category C subproject), a full-scale review conducted by ESMU or consultant(s) based on a site visit (for category A/B subproject). The lead bank/project proponent must provide all requested information to the IIFCL and should be able to demonstrate adequate responsiveness with regard to the applicable social safeguard requirements.

51. The ESMU checks social safeguard compliance of the project against SSF which incorporate GOI and state laws and regulations and also check against DFI's safeguard requirements in case the project is posed for DFI's funding. If there are gaps on social safeguard compliance, IIFCL agrees with lead bank/borrowers to formulate targeted actions to attain projects safeguard compliance. The IIFCL will discuss compliance gaps/issues with project proponent for required rectifications.

52. The ESMU staff ensures that legal documents will contain appropriate social covenants requiring investments to be in compliance in all material respects with the applicable environmental safeguard requirements and reflect the applicability of SSF as binding during the period of engagement.

53. An outline of a Social Due Diligence Report is given in **Annex S-10**

### 4. Monitoring and Reporting

54. Monitoring and reporting requirements will be defined as part of each RP and/or TDP. In addition, each borrower will engage an external independent monitoring agent to undertake external monitoring of RP and TDPs. Reporting and monitoring formats will be prepared for both internal and external monitoring. Annual external monitoring reports will be submitted to the lenders. See **Annex S-11** for sample TOR for an external monitoring and reporting agency.

55. One key function of the external monitoring would be to ascertain whether any unanticipated impacts on tribal peoples or unanticipated resettlement effects become apparent during project implementation. In such cases, the external monitor would assist the borrower to assess the significance of the impacts and identify measures to mitigate any adverse impacts and ensure that benefits accrue to the tribal peoples. The ESMU would be informed of and review such measures and their implementation. The external monitor would also certify compliance with the requirements of the RP and/or TDP.

56. Each approved project will be evaluated for its social safeguard compliance performance annually. The ESMU will prepare an annual report summarizing the progress of each borrower's operations which had IR impacts and/or impacts on tribal peoples. The benchmark for performance will be the ongoing compliance against the applicable social safeguard requirements. The project proponent will submit periodic social safeguards monitoring report to IIFCL for various project activities for which scope of social monitoring is suggested in **Annex S-12**. The IIFCL will also prepare and submit an Annual Social Compliance Monitoring and Evaluation Report to DFI (**Annex S-13**), and will review and assess the project's social

safeguard performance. Based on the review of the periodic audit and monitoring reports for the projects prepared and submitted by the lead banks/project proponent, ESMU will prepare periodic environmental and social performance report substantially in the form of **Annex E-17** and submit it to IIFCL and participating DFIs for review. The report will also source information related with safeguards compliance status from the independent social audit which is to be conducted by a third party.

#### **IV. INSTITUTIONAL/ORGANIZATION STRUCTURE OF INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED**

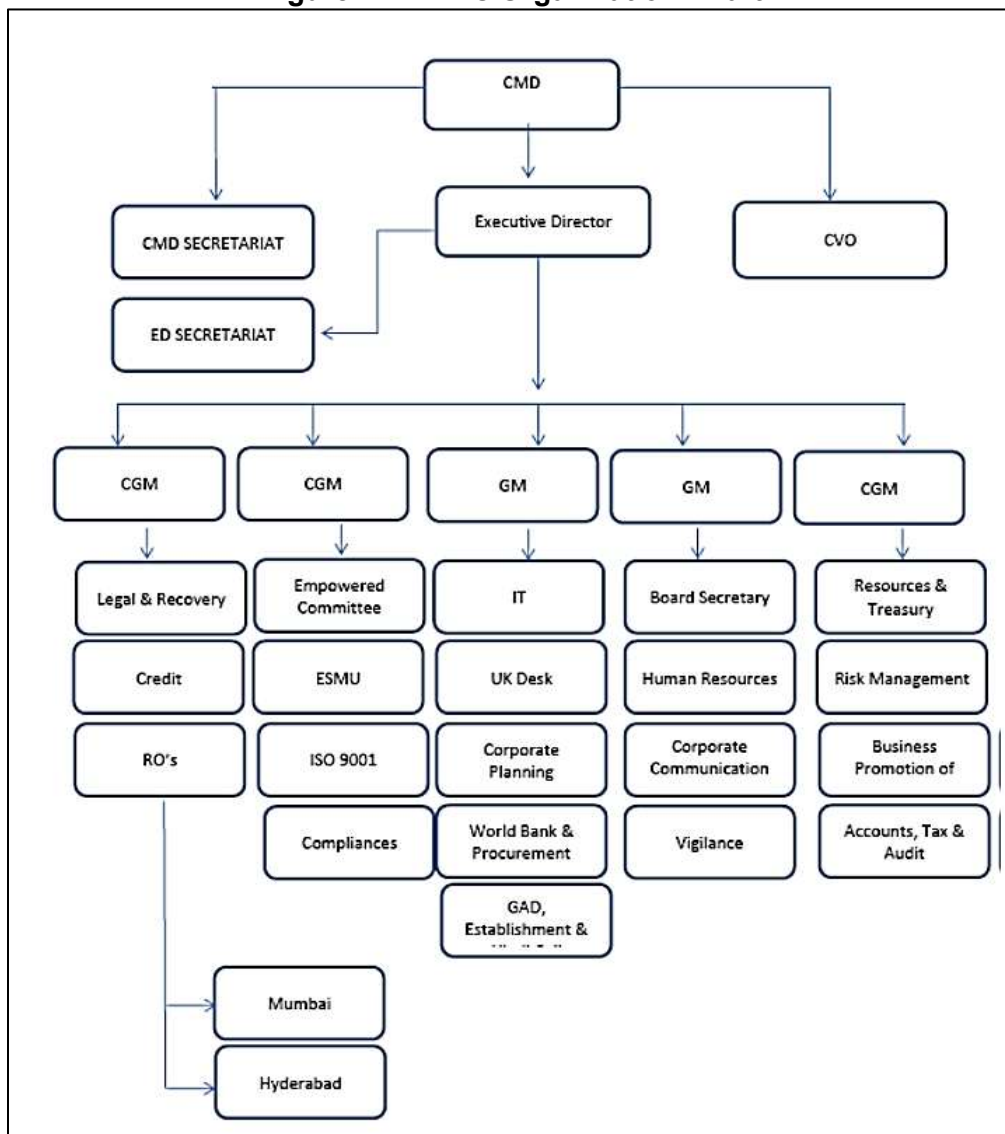
57. IIFCL's board comprises the chairman and managing director (CMD) and a fulltime director nominated by GOI. In addition, GOI has nominated four experts and three officials as part-time directors of IIFCL.

58. The CMD is assisted by the executive director and three chief general managers (CGMs).

59. The company operations team comprises dedicated professionals drawn from different banks, FIs, campus recruitment, and direct recruitment. The IIFCL operates with a lean and thin structure to keep overheads to a minimum.

60. ESMU was set up at IIFCL in 2010 to operationalize ESSF and to take charge of ensuring compliance of safeguard requirements of projects that IIFCL funds. Figure 4 shows the IIFCL's organization structure.

Figure 4: IIFCL's Organization Chart



61. Figure 5 below shows the composition and contracting arrangements under ESMU. The ESMU will be headed by a full-time staff of IIFCL who could be either invited on deputation from other organizations or recruited. This person will have masters in environmental science/engineering/planning with at least 10 years of experience in conducting/reviewing environmental and social assessments. Familiarity with GOI laws, regulations and procedures will be essential, and exposure to environmental and social safeguard systems of DFIs will be desirable.

62. ESMU will draw specialists through direct recruitment and one full-time environmental specialist and one full-time social safeguard specialist will be engaged. These two specialists will work at IIFCL and report to the Head, ESMU. The environmental specialist should have masters in environmental science/engineering/planning with at least 5 years of experience. Previous experience in preparing Environmental Impacts Assessments (EIAs) and Environment Management Plan (EMPs) and obtaining environmental clearance (EC) at center and state-

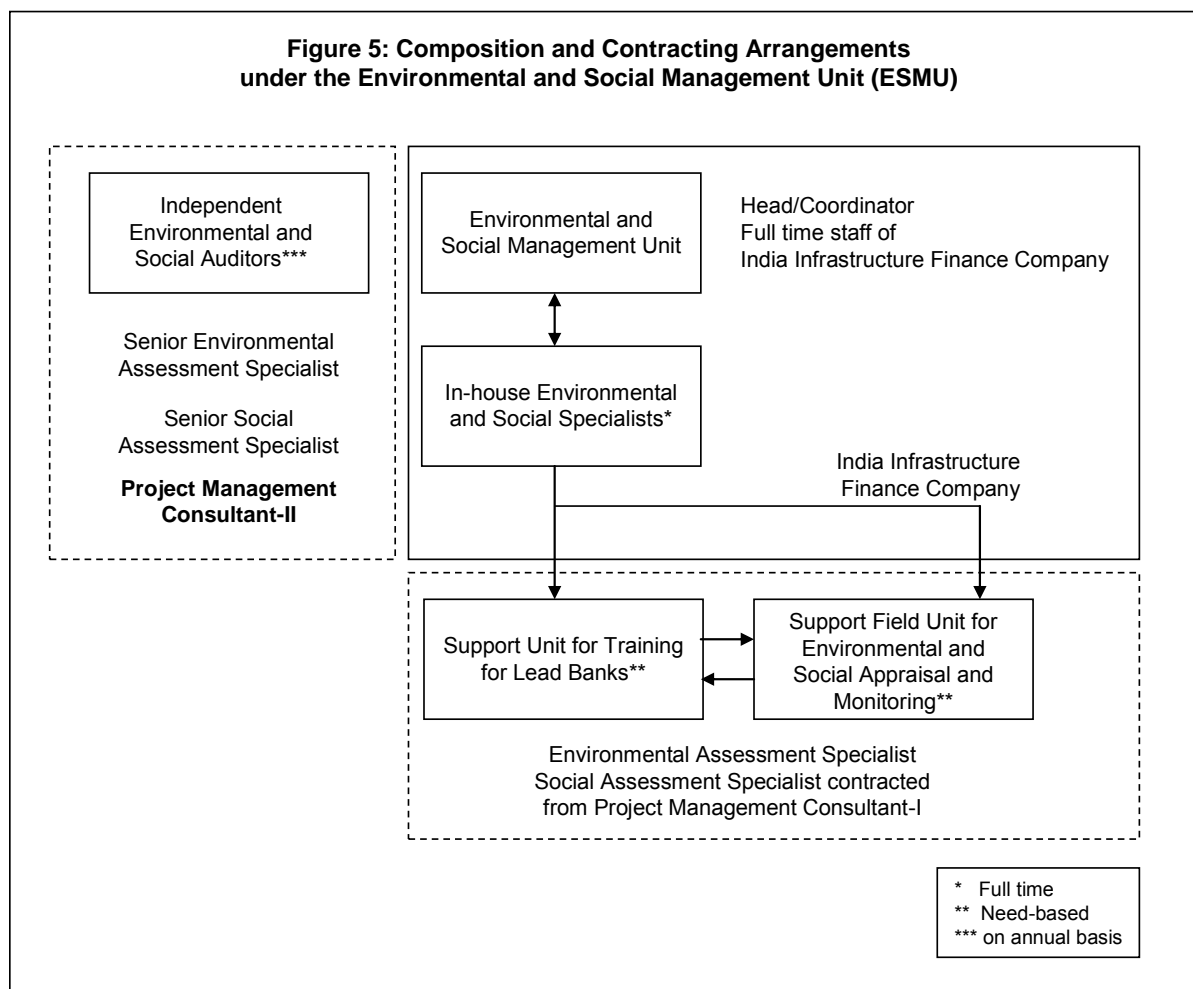
levels for infrastructure projects will be essential. The social assessment specialists will have masters in social science or allied areas with at least 5 years of experience in the preparation of Social Impact Assessments (SIA), Resettlement Plans (RP) and Tribal Development Plans (TDP). In order to facilitate the delivery of its mandate and the following services, ESMU will also be supported by external competent consulting organizations/individual specialists working as Project Management Consultant-I (PMC-I). PMC-I will be identified through competitive bidding. These specialists will deliver the following services:

- (i) Conduct compliance review.
- (ii) Check adequacy and effectiveness of EMPs/RPs/TDPs.
- (iii) Develop conditions as loan covenants that stipulate requirements or outcomes of EMP/RAP/TDPs.
- (iv) Prepare memos for the Board on the above.
- (v) Prepare sector-specific checklists, guidelines, monitoring, and reporting formats to strengthen ESF. These guidelines will make use of the materials developed by GOI and DFIs (**Annex G-1, E-18, E-19, E-20, E-21, E-6 and S-3** illustrate such guidance materials of relevance to lead banks/borrowers. PMC-I will build a compendium to this effect and provide to the lead banks/borrowers).
- (vi) Coordinate with field environmental and social specialists in assessment, monitoring, and review, as required.
- (vii) Coordinate with lead banks/borrowers to support independent environmental and social auditors (PMC-II) for preparing IIFCL's Annual Environmental and Social Report.
- (viii) Prepare progress and performance reports for various DFIs.
- (ix) Coordinate with training specialists provided by PMC-I to conduct training program for lead banks/borrowers on project processing under ESSF.
- (x) Update ESSF based on operational experience.

63. PMC-I will support ESMU on a need basis for the following:

- (i) conduct field visits for assessments, monitoring, and reviewing (especially for category A and B1 projects for safeguard impacts); and
- (ii) conduct awareness and training program on ESSF for lead banks/borrowers.

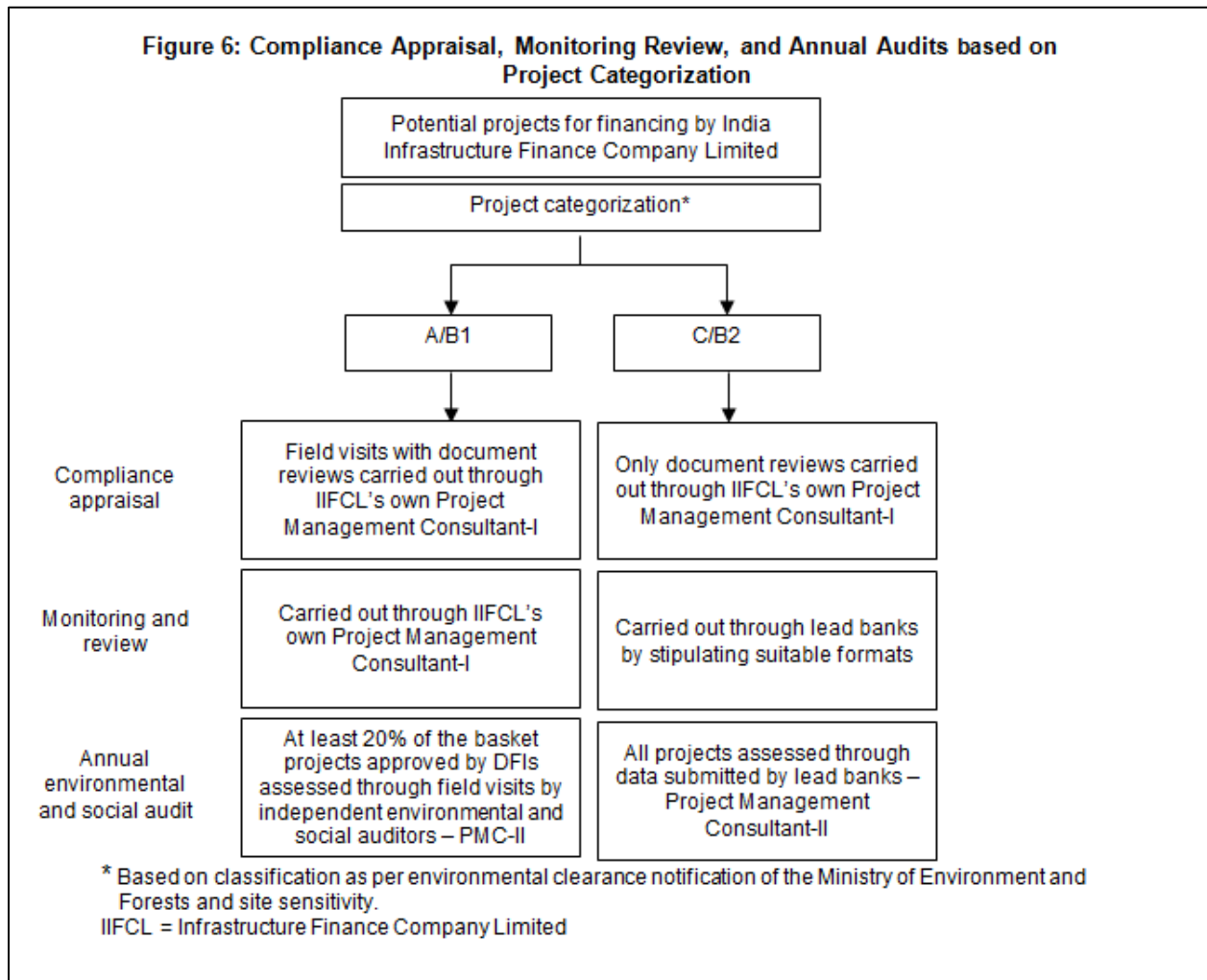
64. PMC -1 support will not be in-house based, but provided using the pool of resources available at PMC-I. For the delivery of its mandate and the above mentioned services, ESMU will also be supported by external competent consulting organizations/individual specialists working Project Management Consultant –II (PMC-II).



### A. Periodic Safeguard Audit and its Disclosure

65. The IIFCL will conduct periodic environmental and social audits through independent consultants (PMC-II). The audit process will consider project categories for better focus and optimization. Figure 6 below explains this concept.

66. The PMC-II will conduct a periodic environmental and social audit with the help of Senior Environmental and Social Specialists using a combination of data reported by lead banks/borrowers and field visits.



67. The PMC-I will provide monitoring assistance to all lead banks/borrowers. It will supplement such support through field visits, where necessary, and by verifying submitted information. Specialists from PMC-I will be accompanied by a representative of lead bank/borrowers during field visits. The PMC-II will prepare the periodic environmental and social audit report with observations and recommendations, especially if corrective actions are required. This report will be finalized by ESMU Head and will be submitted to the IIFCL board along with actions proposed for corrective actions, if any. After the board's approval, this report will be included in the annual report of IIFCL. A soft copy of this report will be uploaded on IIFCL's website. **Annex E-16** and **S-13** present a typical audit recording sheet. **Annex E-15** and **S-12** lists typical monitoring and reporting format for the periodic report to be submitted by borrower.

## B. Reporting to Development Financial Institutions

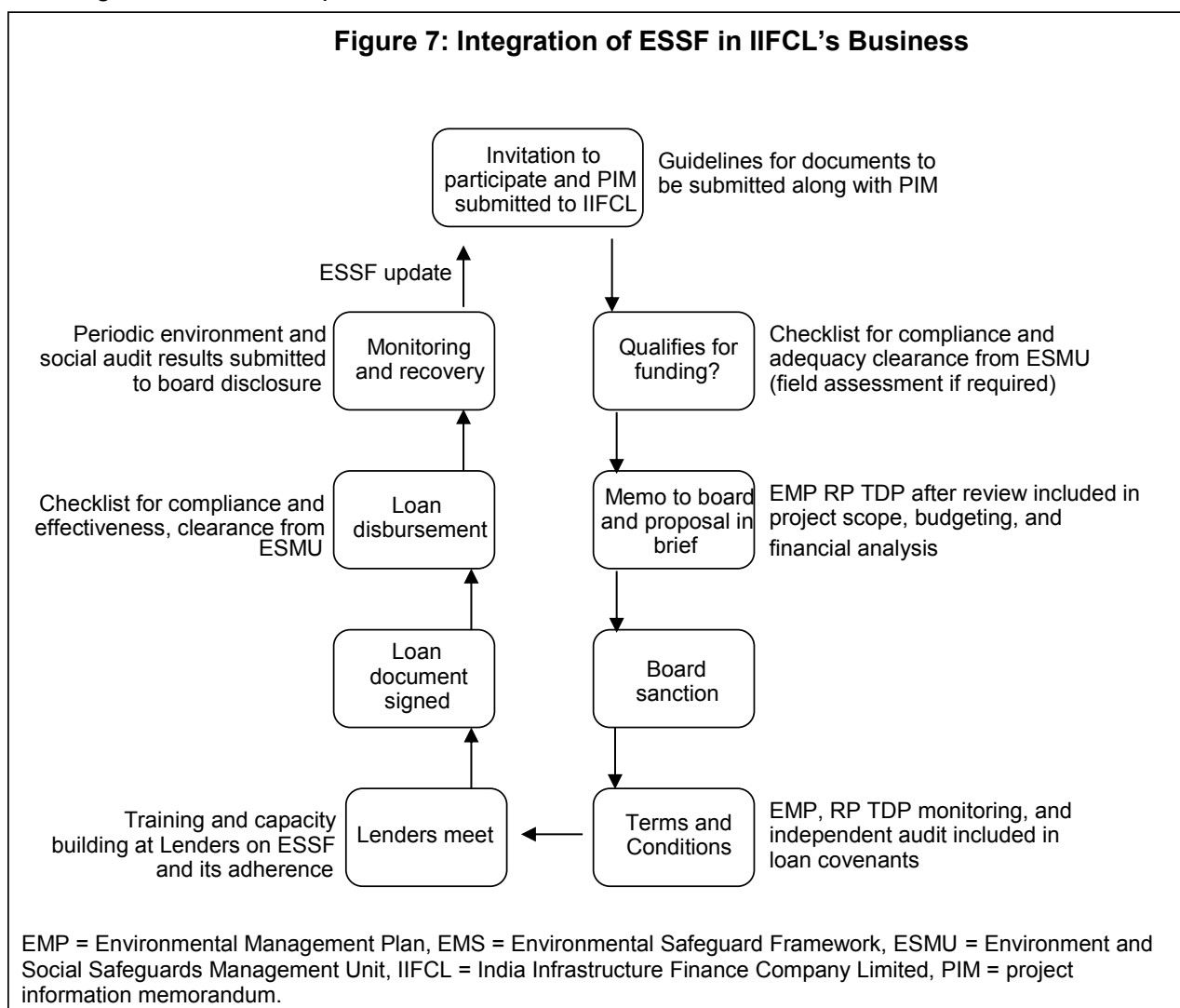
68. Apart from the annual environmental and social audit reports, IIFCL will prepare safeguard compliance reports, from time to time, as required by various DFIs. When a periodic finance request (PFR) is made, a report on environmental and social safeguard performance of

previous projects and corrective action plans are also submitted. Such reports will be prepared by ESMU in consultation with DFIs building on the regular monitoring and review processes under ESF as well as on periodic environmental and social audit reports. **Annex E-17** provides a reporting format.

69. **Annex G-2 and G-3** provide an outline of TORs for contracting PMC-I and PMC-II. The IIFCL will call for bids from reputable environmental and social consulting organizations and recruit PMC-I and PMC-II. The contracts will be valid for a period of 3 years, but tenable only based on performance indicators. The IIFCL will have every right to ask for replacement of staff, if so desired.

### C. Mainstreaming ESSF in Project Processing

70. The IIFCL will mainstream its ESSF in its business process. Figure 7 below shows how that integration will be completed.



#### D. Allocation of Responsibilities for Safeguard Compliance

71. Proposals to IIFCL will typically arise from lead banks/designated lead syndicator and borrowers either for seeking direct lending or for refinance.

72. "Lead bank" means a financial institution that is funding the project and is designated as such by the inter-institutional group or consortium of financial institutions, provided the risk exposure of IIFCL is less than that of the lead bank in a project.

73. The lead banks/designated lead syndicator and borrowers shall present their appraisal of the project to IIFCL to appraise it. The IIFCL will not normally be required to carry out any independent appraisal of a project. Hence, the lead bank/designated, lead syndicator and borrowers will be expected to provide IIFCL all the required documentation (consents, clearances, EIA reports, safeguard compliance reports) in line with the requirements of ESF.

74. Similarly, the lead banks/designated lead syndicator and borrowers will be responsible for regular monitoring and periodic evaluation of compliance of the project with agreed milestones and performance levels particularly for the purpose of disbursement of IIFCL funds. It will send periodic progress reports in prescribed formats and according to the timetable provided by IIFCL. The lead banks/designated lead syndicator, and borrowers will therefore be responsible to report environmental safeguard compliance of the project to IIFCL in the formats as prescribed by ESF. Table 6 summarizes allocation of responsibilities.

**Table 6: Allocation of Responsibilities**

<b>Tasks</b>	<b>Primary Responsibility</b>	<b>Secondary Responsibility</b>
Submit all documentation related to environmental consents, clearances, etc. and EIA/EMP/RP/TDP reports	Lead Bank/borrower	
Check environmental and social compliance	ESMU/IIFCL	PMC-I
Check adequacy safeguard planning reports	ESMU/IIFCL	PMC-I
Review PIM and EMP, RP, TDP; conduct financial appraisal	ESMU/IIFCL	PMC-I
Specify conditionalities and update legal documents	ESMU/IIFCL	PMC-I
Prepare memo to IIFCL board	ESMU/IIFCL	
Implement EMP, RP, TDP	Lead Bank/Borrower	
Conduct social and environmental monitoring	Lead Bank/borrower	
Meet environmental and social safeguard compliance	Lead Bank/borrower	
Conduct environmental and social monitoring and evaluation	ESMU/IIFCL	PMC-I, Lead Bank/borrower
Conduct periodic environmental and social audit and disclose the periodic environmental audit report	ESMU/IIFCL	PMC-II, lead banks/borrower
Conduct awareness and training	ESMU/IIFCL	PMC-II
Update ESSF	ESMU/IIFCL	PMC-I

EIA = Environmental Impact Assessment, EMP = Environmental Management Plan, ESF = Environmental Safeguard Framework, ESMU = Environment and Social Safeguards Management Unit, IIFCL = India Infrastructure Finance Company Limited, PIM = project information memorandum, PMC = Project Management Consultant.



## E. Capacity Development for Safeguard Compliance

75. The IIFCL has signed a memorandum of understanding (MOU) for cooperation/participation in infrastructure finance with several banks/financial institutions. These include Andhra Bank, Bank of Baroda, Canara Bank, Corporation Bank, HUDCO, IDBI Bank, IDFC, IL&FS, Indian Bank, Indian Overseas Bank, Oriental Bank of Commerce, Syndicate Bank, UTI Bank, Vijaya Bank, and Punjab National Bank.

76. Except IL&FS and IDFC, none of the above banks have environmental and social safeguard frameworks.

77. Since the effectiveness of ESSF depends mainly on the understanding and preparedness of lead banks/designated lead syndicator and borrower, IIFCL makes an effort to sensitize lead banks/borrowers on management of environmental and social safeguard issues, provides guidance and encourages them to build requisite in-house capacities.

78. The IIFCL with the assistance of PMC-I will offer lead banks/designated lead syndicator and borrowers a short training program (1 to 2 days duration), at least two times a year to explain ESF, its importance, procedures and benefits. It will further encourage lead banks/borrowers in particular to consider adopting the ESSF as their own environmental safeguard policy. The IIFCL will provide incentives, e.g., accelerated monitoring and/or fast track project processing when proposals are received/approved from lead banks/borrowers which follow ESSF equivalent in their operations.

79. **Annex G-4** provides an outline of sample training program for lead banks/borrowers.

80. The IIFCL's ESMU will receive capacity building training in (i) screening prospective subprojects for IR and tribal effects, (ii) plan preparation and appraisal, (iii) plan monitoring, and (iii) reporting. The ESMU in addition to its own staff, Safeguards Liaison Officers (resettlement/tribal and environment), IIFCL can contract an external agency to carry out the social safeguard assessment, guidance, appraisal, monitoring, and reporting functions for which IIFCL will be responsible.

81. The ESMU's Social Safeguards Liaison Officer (SSLO) could be either invited on deputation from other organizations or recruited. This person will have a masters or higher degree in social science with at least 10 years of experience in conducting/reviewing social assessments and working with resettlement and tribal issues in India. Familiarity with GOI regulations and procedures will be essential and exposure to social safeguards at DFIs will be desirable.

82. The SSLO will deliver the following services:

- (i) conduct compliance review of each subproject submitted for financing;
- (ii) check the adequacy and effectiveness of RPs/TDPs;
- (iii) prepare a memo for the IIFCL board;
- (iv) develop conditions as loan covenants that stipulate requirements or outcomes of RPs/TDPs;
- (v) coordinate with subproject social specialists for assessment, monitoring, and review as required;
- (vi) coordinate with subproject social specialists and subproject external monitors for preparing IIFCL's annual environmental and social report;

- (vii) prepare sector specific checklists, formats, and guidelines to supplement the SSF. These guidelines will fully make use of materials developed by GOI and DFIs;
- (viii) interface and provide guidance to the lead banks/sub-borrowers on project processing under the SSF; and
- (ix) update SSF based on operational experience.

83. Since the effectiveness of IIFCL's application of the IR and tribal peoples safeguards measures depends considerably on the understanding and preparedness of the lead banks/designated lead syndicator, it is important that IIFCL makes effort to sensitize the lead banks/designated lead syndicator on management of social issues, provide guidance, and encourage them to build requisite capacities.

84. The IIFCL will offer lead banks/sub-borrowers short programs (1-2 days duration), at least 2 times a year, to explain IIFCL's obligations, their importance, and benefits.

#### **F. Responsibilities in Safeguard Compliance**

85. The IIFCL, through the ESMU, will be responsible reviewing and approving each project after examining its environmental and social safeguard compliance. It will also discuss with the project proponent any gaps and weaknesses in such planning documents and make arrangements to rectify them.

86. The responsibility of complying with safeguards policy requirements is with each borrower. But the facility will make sure such compliance is achieved during the loan period.

87. The lead bank/designated lead syndicator and borrower will present its appraisal of the project for consideration to IIFCL. The IIFCL will not normally be required to carry out any independent appraisal of the project. Hence, the lead bank/designated lead syndicator and sub-borrower will be expected to provide IIFCL all the required documentation (consents, clearances, reports) in line with the requirements of IIFCL's ESSF.

88. The borrowers will be responsible for planning, preparing, financing, disclosing, and implementing an EIA/IEE, RP, and TDP in accordance with ESSF and the applicable policies, laws, and regulations. Borrowers will engage the requisite environmental and social scientific expertise to help carry out the necessary studies, analyses, and document preparation. Such experts will also need to oversee borrower implementation of any environmental, resettlement and tribal peoples development plans. Qualifications should include familiarity with devising EIA, IEE, resettlement plans, and TDP according to both national and international standards.

89. The lead bank/designated lead syndicator and borrower shall be responsible for regular monitoring of safeguard compliance of the project with agreed milestones and performance levels particularly for purposes of disbursement of IIFCL funds. It shall send periodic progress reports in such form and, at such times, as may be prescribed by IIFCL. The lead banks/borrowers will therefore be responsible to report EIA/IEE/EMP, RP, and/or TDP compliance of the project to IIFCL in the formats as prescribed by the plans.

#### **G. Environment and Social Safeguard Framework Update**

90. The IIFCL maintains ESSF on its website and welcomes comments and suggestions on how to improve it.

91. The IIFCL periodically reviews and updates ESSF. The need to revise and update ESSF arises from the need to consolidate vast experience accumulated by applying ESSF to a variety of projects or from significant changes in GOI environmental policy and regulatory framework or revision of safeguard policies of DFIs. The revision and update of ESSF will be the responsibility of ESMU.



## **ANNEXES TO ENVIRONMENTAL AND SOCIAL SAFEGUARDS FRAMEWORK**

1. List of Annexes Pertaining to Environmental Safeguard Framework (Annex E-1 to E-21)
2. List of Annexes Pertaining to Social Safeguard Framework (Annex S-1 to S-13)
3. List of General Annexes (Annex G-1 to G-4)



## LIST OF ANNEXES PERTAINING TO ESF (ANNEX E-1 TO E-21)

Annex No.	Title of the Annex	Remarks
Annex E-1	Overview of the Environment Impact Assessment (EIA) Process of Government of India (GOI)	Provides a detailed description of EIA notification 2006 and the procedure GOI follows for environmental clearance of projects
Annex E-2	Specified Requirements for Environmental Clearance as listed in the Environment Impact Assessment Notification, MoEF, 2006 and various amendments	Provides the screening criteria of the project as per the EIA notification 2006
Annex E-3	Comparative Assessment of Environmental Safeguard Process, Procedures and Practices	Provides a detailed comparison of Environmental Safeguard Procedures of the World Bank, Asian Development Bank, JBIC, KfW Development Bank and GOI
Annex E-4	Safeguard Requirements of the DFIs for Projects having significant Environmental Impacts	Provides the safeguard requirements of the DFIs for the projects having Environmental Impacts
Annex E-5	Prohibited Investment Activities List of the DFIs	Provides the list of various prohibited investment activities of the DFIs
Annex E-6	Checklists of Documents that should be Submitted by Lead Banks/Sub-borrowers (SPVs) to IIFCL for Loan Application.	Provides checklist of documents that need to be submitted by the lead banks / sub-borrowers to IIFCL to facilitate environmental due-diligence on the project
Annex E-7	Summary of Key E&S Legislations in India	Lists the various environmental social legislation in India that need to be referred to / complied with while undertaking environmental and social due-diligence on projects
Annex E-8	Environmental Rules and Notifications Relevant to Infrastructure Projects	Provides the list and brief description of environment rules and notification relevant to Infrastructure projects in India
Annex E-9	Environmental Regulations and Obligations, and Areas of Applicability at Project Sites	Provides environmental regulations, their applicability at project site and the obligation of project proponent under the legislation.
Annex E-10	Prohibited Activities in CRZ (Coastal Regulation Zone Notification, 2011)	Provides various clauses of coastal regulation zone notification 1990 amended in 2001
Annex E-11	EIA / SIA Review Checklist	Provides a checklist of information that should be examined while reviewing the Environmental Impact Assessment studies.
Annex E-12	Outline for an Environmental Impact Assessment Report for a category A subproject funded by DFI	Provides outline for EIA report for subprojects
Annex E-13	Checklist of Documentation Required For Preparation of ESDDR Under Takeout Finance Scheme	Provides checklist of documents that need to be submitted by the sub-borrowers to IIFCL to facilitate environmental and social due-diligence on the project
Annex E-14	Suggested Outline of Environmental Due Diligence Report for Subprojects	Provides outline for environmental DDRs for subprojects
Annex E-15	Suggested Scope for Periodic Environmental and Social Monitoring Report for Subprojects to be submitted	Provides scope for an periodic environmental and social monitoring report for subprojects to be submitted by project

<b>Annex No.</b>	<b>Title of the Annex</b>	<b>Remarks</b>
	by Borrowers	proponent
Annex E-16	Audit Recording Sheet to report Implementation of Environmental Safeguard Systems at IIFCL (the form will continue for the project life)	Provides the key milestones for which the environmental audit observations will be recorded as a part of annual audit by IIFCL
Annex E-17	Outline for Periodic Environmental and Social Performance Report for Subprojects	Provides for outline for periodic environmental and social performance report for subprojects
Annex E-18	TOR For Detailed Environmental Impact Assessment of High Impact Category Highway Sub-Projects	Provides terms of reference for environmental impact assessment of highway projects that constitute a significant part of IIFCL's portfolio of projects.
Annex E-19	Public Consultation Process Defined by MoEF's EIA Notification, 2006 and various amendments	Provides the salient features of public hearing to be conducted for EIA clearance.
Annex E-20	Public Consultation and Information Disclosure Mechanism as per MoEF's EIA Notification, 2006 and various amendments	Provides the detail mechanism for public consultation and disclosure mechanism as per the EIA notification 2006
Annex E-21	Guidance on Incorporating the EMP into Contract Documents (in the case of Highway projects)	Provides guideline for inclusion of EMP specifications in the contractor's agreement.

DFI = development financial institution, DDR = due diligence report, E&S = environmental and social, ESDDR = environmental and social due diligence report, IIFCL = India Infrastructure Finance Company Limited, JBIC = Japan Bank for International Cooperation, KfW = Kreditstalt für Wiederaufbau, MoEF = Ministry of Environment and Forest, SIA = Social Impact Assessment, TOR = terms of reference.



## ANNEX E-1: OVERVIEW OF THE ENVIRONMENT IMPACT ASSESSMENT PROCESS OF GOVERNMENT OF INDIA

### A. Environment Impact Assessment (EIA) as a Planning and Management Tool

1. The EIA system is being implemented both as planning, management, and as regulatory tool. To be effective as a planning and management tool, the EIA system should be implemented at the earliest possible stage of project development. It allows the cost of mitigating and positive impact enhancement measures to be incorporated in the total cost analysis. The environmental objectives are made part of the project objective. This is an improvement over that of the old way of looking at the overall cost of the project where environmental costs are not included. The EIA as a planning and management tool is best used by the project proponent. The internalization of the environment costs becomes imperative when the project proponent knows that the ministry of Environment and Forests (MoEF) using the EIA as a regulatory tool will impose conditions such that the cost of environmental protection will be borne by the project proponent.

#### 1. EIA as a Regulatory Tool

2. After the project is subjected to an EIA and the application for clearance is submitted and approved, MoEF issues an environmental clearance (EC). The EC normally lists down a set of conditions for it to be valid. These conditions stipulate under what conditions will the project operate and clearance granted. In this way, the MoEF is able to regulate the operations of all environmentally critical projects and projects within environmentally critical areas.

#### 2. Operational Framework of the EIA System

3. The EIA process in India is made up of the following phases:

- (i) screening
- (ii) scoping and consideration of alternatives
- (iii) baseline data collection
- (iv) impact prediction
- (v) assessment of alternatives, delineation of mitigation measures, and environmental impact statement
- (vi) public hearing
- (vii) environment management plan
- (viii) decision making
- (ix) monitoring the clearance conditions

4. Each of these phases is explained below.

5. **Screening.** Screening is carried out to see whether a project requires EC as per the statutory notifications. Screening criteria<sup>1</sup> are based upon:

- (i) scales of impact;
- (ii) severity of impact; and

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<sup>1</sup> EIA Notification dated 14 September 2006 and further amendments.

(iii) location of development.<sup>2</sup>

6. All projects and activities are broadly categorized into two categories—category A and category B, based on the spatial extent of potential impacts and potential impacts on human health and natural and man-made resources.

7. In case of category B projects or activities, this stage will entail the scrutiny of an application seeking prior EC by the concerned SEAC for determining whether or not the project or activity requires further environmental studies for preparation of an EIA for its appraisal prior to the grant of EC depending upon the nature and location specificity of the project. The projects requiring an EIA report shall be termed category B1 and the remaining projects shall be termed category B2 and will not require an EIA report. For categorization of projects into B1 or B2 except item 8 (b), the MoEF shall issue appropriate guidelines from time to time (Annex E-3).

8. A Project requires statutory EC only if the provisions of EIA notification and/or one or more statutory notification mentioned in Table SAG.1 cover it.

**Table 1: Siting Criteria Delineated by MOEF**

1.	As far as possible, prime agricultural land/forest land may not be converted into an industrial site.
2.	Land acquired should be at a minimum but sufficient to provide for a green belt wherein the treated wastewater, if possible/suitable, could be utilized from wastewater treatment systems.
3.	Enough space may be provided for storing solid wastes. The space and the waste can be made available for possible reuse in future.
4.	Layout and form of the project must conform to the landscape of the area without unduly affecting the scenic features of that place.
5.	Associated township of the project, if any, to be created must provide for space for phyto-graphic barrier between the project and the township and should take into account predominant wind direction.
6.	Coastal Areas: at least 1/2 kilometer (km) from the high tide line (within 0.5 km of high tide line, specified activities as per coastal regulation zones notification, 1991 are permitted. The high tide line is to be delineated by the authorized agency only).
7.	Estuaries: At least 200 meters from the estuary boundaries.
8.	Flood Plains of the Riverine systems: at least 500 meters from flood plain or modified flood plain or by flood control systems.
9.	Transport/Communication System: at least 500 meters from highway and railway.
10.	Major Settlements (with populations of 300,000) at least 25 km from the projected growth boundary of the settlement.

9. The EIA notification also makes prior EC mandatory for all new projects listed in the schedule, expansion, or modernization of existing projects or activities listed in the schedule, and any change in the product mix in an existing manufacturing units included in the schedule beyond the specified limit. The prior EC granted for a project or activity shall be valid for a

<sup>2</sup> The site of a project (e.g., in ecologically sensitive areas) is an important factor which decides whether an EC is required. Ecologically sensitive areas include coastal areas (protected by the CRZ Notification), forests (protected by the Forest Conservation Act), various areas notified by MoEF as Ecologically Sensitive Zones (ESZs) areas from, for example, Doon valley, Dahanu taluka, etc.) to wetlands, deserts, national parks, sanctuaries, corals, etc. (which are not protected by any specific Notification). In case of industries, the Environmental Guidelines for Siting of Industry (framed in 1985) and the Environment (Siting for Industrial Projects) Rules, 1999 (presently in draft form) have to be complied.

period of 10 years in the case of river valley projects (item 1(c) of the schedule), project life as estimated by EAC or SEAC subject to a maximum of 30 years for mining projects and 5 years in the case of all other projects and activities. However, in the case of area development projects and townships [item 8(b)], the validity period shall be limited only to such activities as may be the responsibility of the applicant as a developer. This period of validity may be extended by the regulatory authority concerned by a maximum period of 5 years provided an application is made to the regulatory authority by the applicant within the validity period. To obtain this, the project proponent has to furnish information in an environmental appraisal questionnaire issued by MoEF.

10. **Scoping.** Scoping<sup>3</sup> is a process of detailing the terms of reference of EIA. It refers to the process by which the EAC/SEAC<sup>4</sup> determine detailed and comprehensive terms of reference (TOR) addressing all relevant environmental concerns for the preparation of an EIA report with respect to the project or activity for which prior EC is sought.

11. The MoEF has published guidelines for different sectors which outline the significant issues to be addressed in the EIA studies. Quantifiable impacts are to be assessed on the basis of magnitude, prevalence, frequency and duration, and non-quantifiable impacts (such as aesthetic or recreational value), significance is commonly determined through the socio-economic criteria. After the areas where the project could have significant impact are identified, the baseline status of these should be monitored and then the likely changes in these on account of the construction and operation of the proposed project should be predicted.

12. **Baseline data.** Baseline data describes the existing environmental status of the identified study area. The site-specific primary data should be monitored for the identified parameters and supplemented by secondary data if available.

13. **Impact prediction.** Impact prediction is a way of “mapping” the environmental consequences of the significant aspects of the project and its alternatives. Environmental impact can never be predicted with absolute certainty and this is all the more reason to consider all possible factors and take all possible precautions for reducing the degree of uncertainty.

14. The impacts that should be assessed have been shown in the following table (Table 2).

**Table 2: Parameters for Assessment of Impacts**

Impacts	Parameters
Air	<ul style="list-style-type: none"> <li>• changes in ambient levels and ground level concentrations due to total emissions from point, line and area sources</li> <li>• effects on soils, materials, vegetation, and human health</li> </ul>
Noise	<ul style="list-style-type: none"> <li>• changes in ambient levels due to noise generated from equipment and movement of vehicles</li> <li>• effect on fauna and human health</li> </ul>
Water	<ul style="list-style-type: none"> <li>• availability to competing users</li> <li>• changes in quality</li> <li>• sediment transport</li> <li>• ingress of saline water</li> </ul>

<sup>3</sup> All projects and activities listed as category B in Item 8(a) of the Schedule (construction/township/commercial complexes/housing) shall not require scoping and will be appraised on the basis of Form 1/ Form 1A and the conceptual plan and EIA report will be required for projects listed under 8(b).

<sup>4</sup> The composition of the EAC will be as given in the EC notification dated 14 September 2006. The SEAC at the state or the union territory level shall be constituted by the central government in consultation with the concerned state government or the union territory administration with identical composition.

Impacts	Parameters
Land	<ul style="list-style-type: none"> <li>• changes in land use and drainage pattern</li> <li>• changes in land quality including effects of waste disposal</li> <li>• changes in shoreline/riverbank and their stability</li> </ul>
Biological	<ul style="list-style-type: none"> <li>• deforestation tree-cutting and shrinkage of animal habitat.</li> <li>• impact on fauna and flora (including aquatic species if any) due to contaminants/pollutants</li> <li>• impact on rare and endangered species, endemic species, and migratory path/route of animals.</li> <li>• impact on breeding and nesting grounds</li> </ul>
Socio-Economic	<ul style="list-style-type: none"> <li>• impact on the local community including demographic changes.</li> <li>• impact on economic status</li> <li>• impact on human health.</li> <li>• impact of increased traffic</li> </ul>

### 3. Assessment of Alternatives, Delineation of Mitigation Measures and EIA Report

15. For every project, possible alternatives should be identified and environmental attributes compared. Alternatives should cover both project location and process technologies. Alternatives should consider “no project” option also. Alternatives should then be ranked for selection of the best environmental option for optimum economic benefits to the community at large.

16. Once alternatives have been reviewed, a mitigation plan should be drawn up for the selected option and is supplemented with an Environmental Management Plan (EMP) to guide the proponent towards environmental improvements. The EMP is a crucial input to monitoring the clearance conditions and therefore details of monitoring should be included in the EMP.

17. An EIA report should provide clear information to the decision-maker on the different environmental scenarios without the project, with the project and with project alternatives. Uncertainties should be clearly reflected in the EIA report.

#### (i) Public Consultation<sup>5</sup>

18. Law requires that the locally affected persons and other stakeholders must be informed and consulted on a proposed development with a view to taking into account all the material concerns in the project or activity design as appropriate.

19. Any one likely to be affected by the proposed project is entitled to have access to the executive summary of the EIA. The affected persons may include:

- (i) bonafide local residents,

<sup>5</sup> The following categories of projects/activities are exempt from public consultation as notified by EC notification dated 14 September 2006: (i) modernization of irrigation projects (item 1(c) (ii) of the schedule); (ii) all projects or activities located within industrial estates or parks (item 7(c) of the schedule) approved by the concerned authorities, and which are not disallowed in such approvals; (iii) expansion of roads and highways (item 7 (f) of the schedule) which do not involve any further acquisition of land; (iv) maintenance dredging provided the dredged material shall be disposed within port limits; (v) all building or construction projects or area development projects (which do not contain any category A projects and activities) and townships (item 8(a) and 8(b) in the schedule to the notification); (vi) all category B2 projects and activities; and (e) all projects or activities concerning national defense and security or involving other strategic considerations as determined by the central government.

- (ii) local associations,
- (iii) environmental groups active in the area, and
- (iv) any other person located at the project site / sites of displacement.

20. They are to be given an opportunity to make oral/written suggestions to the SPCB/regulatory agency.

#### **(ii) Decision Making**

21. The regulatory authority shall consider the recommendations of the EAC or SEAC concerned and convey its decision to the applicant in the stipulated time from the receipt of the recommendations of the EAC or SEAC concerned or in other words, within 105 days of the receipt of the final EIA report, and where EIA is not required, within 105 days of the receipt of the complete application with requisite documents.

22. The decision on EC is arrived at through a number of steps including evaluation of EIA and EMP.

#### **4. Monitoring the Clearance Conditions**

23. It is mandatory for the project management to submit semi-annually, compliance reports with respect to the stipulated prior EC terms and conditions in hard and soft copies to the regulatory authority concerned, on 1st June and 1st December of each calendar year.

24. All such compliance reports submitted by the project management shall be public documents. Copies of the same shall be given to any person on application to the concerned regulatory authority. The latest such compliance report shall also be displayed on the website of the concerned regulatory authority. Monitoring will enable the regulatory agency to review the validity of predictions and the conditions of implementation of the EMP.

#### **5. EIA Review**

25. All project proposals requiring EA may be examined according to the following review process.

26. Appraisal is the detailed scrutiny by the EAC or SEAC of the application and other documents like the final EIA report, outcome of the public consultations including public hearing proceedings submitted by the applicant to the regulatory authority concerned for grant of EC. This appraisal shall be made by EAC or SEAC concerned in a transparent manner in a proceeding to which the applicant shall be invited for furnishing necessary clarifications in person or through an authorized representative. On conclusion of this proceeding, the EAC or SEAC concerned shall make categorical recommendations to the regulatory authority concerned either for grant of prior EC on stipulated terms and conditions, or rejection of the application for prior EC, together with reasons for the same.

27. The appraisal of all projects or activities which are not required to undergo public consultation or submit an EIA report, shall be carried out on the basis of the prescribed application form 1 and form 1A as applicable, any other relevant validated information available and the site visit wherever the same is considered as necessary by the EAC or SEAC concerned.

**Table 3: The Impact Assessment Agency**

The Impact Assessment Agency (IAA) is the Union Ministry of Environment and Forests (MoEF). EIA reports submitted along with the application for clearance are evaluated and assessed by the IAA, and if deemed necessary, it may consult a Committee of Experts.

Role of the IAA:

- (i) the IAA will evaluate and assess the EIA report. In this process, the project proponent will be given a chance to present his proposal (where a proponent is required to obtain environmental clearance).
- (ii) the IAA will also prepare a set of recommendations and conditions for its implementation based on this assessment (if a project is accepted).
- (iii) the IAA will also be responsible for the environmental monitoring process (during the implementation and operation of the project).

Earlier, the 1994 EIA Notification made it mandatory for the IAA, i.e., MoEF to consult a Committee of Experts before granting environmental clearance to a particular project. However, in its present amended form, the notification states that the IAA may consult the Committee of experts if deemed necessary. The new notification also leaves it to the discretion of the IAA to make complaint reports publicly available, "subject to public interest." Thus, the recent amendments are resulting in the dilution of the law on EIAs.

A draft memorandum suggesting changes to the environmental clearance procedures in India following the EIA Notification of 2006 recommends the creation of an autonomous and decentralized EIA Authority under the Union Government that has environment clearance granting powers.

As per this draft memorandum, an EIA Authority (EIAA) shall replace the MoEF/SEIA structure specified by MoEF's September 2006 EIA Notification. This EIAA shall be an autonomous body with the same powers as the Election Commission with concomitant accountability to discharge their duties with due diligence and within timeframes defined by the EPA Act/ Rules, in particular, regarding taking decisions on proposed projects/ facilities. It will have a decentralized structure similar to that of the SEIAAs in the MoEF September 2006 EIA Notification. The link ministry for the EIAA shall be MoEF.

## **6. Clearance of Projects**

28. The following projects or activities require prior EC from the concerned regulatory authority, which shall hereinafter referred to be as the central government in the MoEF for matters falling under category<sup>6</sup> A in the schedule<sup>7</sup> (Annex E-2) and at state level, the SEIAA<sup>8</sup> for matters falling under category B in the said schedule, before any construction work or preparation of land by the project management except for securing the land, is started on the project or activity:

<sup>6</sup> All projects and activities are broadly categorized in to two categories—category A and category B, based on the spatial extent of potential impacts and potential impacts on human health and natural and man made resources.

<sup>7</sup> EC notification dated 14 September 2006.

<sup>8</sup> A state level EIA authority hereinafter referred to as the SECA shall be constituted by the central government under sub-section (3) of section 3 of the Environment (Protection) Act, 1986 comprising of three members including a chairman and a member—secretary to be nominated by the state government or the union territory administration concerned.

- (i) all new projects or activities listed in the schedule to this notification;
- (ii) expansion and modernization of existing projects or activities listed in the schedule to this notification with addition of capacity beyond the limits specified for the concerned sector, that is, projects or activities which cross the threshold limits given in the schedule, after expansion or modernization; and
- (iii) any change in product mix in an existing manufacturing unit included in schedule beyond the specified range.

## **7. Follow up and Monitoring Activities**

29. It shall be mandatory for the project management to submit semi-annually, compliance reports with respect to the stipulated prior EC terms and conditions in hard and soft copies to the regulatory authority concerned, on 1st June and 1st December of each calendar year.

30. In respect of category A projects, it shall be mandatory for the project proponent to make public the environmental clearance granted for their project along with the environmental conditions and safeguards at their cost by prominently advertising it at least in two local newspapers of the district or state where the project is located and in addition, this shall also be displayed in the project proponent's website permanently.

31. In respect of category B projects, irrespective of its clearance by MoEF/SEIAA, the project proponent shall prominently advertise in the newspapers indicating that the project has been accorded environment clearance and the details of MoEF website where it is displayed.

32. The MoEF and the state or UT Environmental Impact Assessment Authorities (SEIAAs), as the case may be, shall also place the environmental clearance in the public domain on government portal.

33. The copies of the environment clearance shall be submitted by the project proponents to the heads of local bodies, Panchayats and municipal bodies in addition to the relevant offices of the government who in turn has to display the same for 30 days from the date of receipt. Further, copies of the environmental clearance shall be endorsed to the heads of local bodies, Panchayats and Municipal Bodies in addition to the relevant offices of the government.

34. All such compliance reports submitted by the project management shall be public documents. Copies of the same shall be given to any person on application to the concerned regulatory authority. The latest such compliance report shall also be displayed on the website of the concerned regulatory authority.

## **8. Penalty**

35. Concealing factual data or submission of false, misleading data/reports, decisions or recommendations would lead to the project being rejected. Approval, if granted earlier on the basis of false data, would also be revoked. Misleading and wrong information will cover the following:

- (i) false information,
- (ii) false data,
- (iii) engineered reports,
- (iv) concealing of factual data, or
- (v) false recommendations or decisions.





Project or Activity		Category with threshold limit		Conditions if any
		A	B	
<b>Mining, extraction of natural resources and power generation (for a specified production capacity)</b>				
(1)	(2)	(3)	(4)	(5)
	development and production			are exempted provided the concession areas have got previous clearance for physical survey
1c	River valley projects	(i) $\geq 50$ MW hydroelectric power generation; (ii) $\geq 10,000$ ha. of culturable command area	(i) $< 50$ MW $\geq 25$ MW hydroelectric power generation; (ii) $< 10,000$ ha. of culturable command area	General condition shall apply  Note: Irrigation projects not involving submergence or inter-state domain shall be appraised by the SEIAA as category "B" projects.
1d	Thermal power plants	$\geq 500$ MW (coal/lignite/naphtha and gas based); $\geq 50$ MW (pet coke diesel and all other fuels including refinery residual oil waste except biomass); $\geq 20$ MW (based on biomass or nonhazardous municipal solid waste as fuel)	$< 500$ MW (coal/lignite/naphtha and gas based); $< 50$ MW $> 5$ MW (pet coke ,diesel and all other fuels including refinery residual oil waste except biomass) $< 20$ MW $> 15$ MW (based on biomass or non-hazardous municipal solid waste as fuel)	General condition shall apply  Note: (i) Power plants up to 15MW based on biomass and using auxiliary fuel such as coal/ lignite/ petroleum products up to 15% are exempted. (ii) Power plants up to 15MW based on non-hazardous municipal solid waste and using auxiliary fuel such as coal/lignite/petroleum products up to 15% are exempted. (iii) Power plants using waste heat boiler without any auxiliary fuel are exempted.
1e	Nuclear power projects and processing of nuclear fuel	All projects		
2	<i>Primary processing</i>			
2a	Coal washeries	$\geq 1$ million ton/annum throughput of coal	$< 1$ million ton/annum throughput of coal	General condition shall apply (if located within mining area the proposal shall be appraised together with the mining proposal)

Project or Activity		Category with threshold limit		Conditions if any
		A	B	
<b>Mining, extraction of natural resources and power generation (for a specified production capacity)</b>				
(1)	(2)	(3)	(4)	(5)
2b	Mineral beneficiation	≥0.1million ton/annum mineral throughput	< 0.1million ton/annum mineral throughput	General condition shall apply (mining proposal with mineral beneficiation shall be appraised together for grant of clearance)
3	<i>Materials production</i>			
3a	Metallurgical industries (ferrous and non-ferrous)	(i) Primary metallurgical industry  All projects  (ii) Sponge iron manufacturing ≥200TPD  (iii) Secondary metallurgical processing industry  All toxic and heavy metal producing units ≥20,000 tonnes /annum	Sponge iron manufacturing <200TPD  Secondary metallurgical processing industry  (i) All toxic and heavy metal producing units <20,000 tonnes /annum  (ii) All other non-toxic secondary metallurgical processing industries>5,000 tonnes/annum	General condition shall apply  Note: (i) The recycling industrial units registered under the HSM rules, are exempted. (ii) In case of secondary metallurgical processing industrial units, those projects involving operation of furnaces, only such as induction and electric arc furnace, submerged arc furnace and cupola with capacity more than 30,000 tonnes per annum (TPA) would require environmental clearance. Plant/units other than power plants (given against entry no. 1(d) of the schedule), based on municipal solid waste (non-hazardous) are exempted.
3b	Cement plants	≥ 1.0 million tonnes/annum production capacity	<1.0 million tonnes/annum production capacity. All stand-alone grinding units	General condition shall apply
4	<i>Materials processing</i>			
4a	Petroleum refining industry	All projects		
4b	Coke oven plants	≥2,50,000 tonnes/annum	<2,50,000 and ≥25,000 tonnes/annum	General conditions shall apply

Project or Activity		Category with threshold limit		Conditions if any
		A	B	
		<b>Mining, extraction of natural resources and power generation (for a specified production capacity)</b>		
(1)	(2)	(3)	(4)	(5)
4c	Asbestos milling and asbestos based products	All projects		
4d	Chlor-alkali industry	≥300 TPD production capacity or a unit located outside the notified industrial area/estate	(i) All project irrespective of size, if it is located in a notified industrial area/estate; (ii) <300 tonnes per day (TPD) if located outside a notified industrial area/estate	General as well as specific conditions shall apply  No new mercury cell based plants will be permitted and existing units converting to membrane cell technology are exempted from this notification
4e	Soda ash Industry	All projects		
4f	Leather/skin/hide processing industry	New projects outside the industrial area or expansion of existing units outside the industrial area	All new or expansion of projects located within a notified industrial area/estate	General as well as specific conditions shall apply
5	<i>Manufacturing/fabrication</i>			
5a	Chemical fertilizers	All projects except single super phosphates	single super phosphates	
5b	Pesticides industry and pesticide specific intermediates (excluding formulations)	All units producing technical grade pesticides		
5c	Petro-chemical complexes (industries based on processing of petroleum fractions and natural gas and/or reforming to aromatics)	All projects		
5d	Manmade fibres manufacturing	Rayon	Others	General condition shall apply
5e	Petrochemical based processing (processes other than cracking and reformation and not covered under the complexes)	Located outside the notified industrial area/estate	Located in a notified industrial area/estate	General as well as specific conditions shall apply
5f	Synthetic organic chemicals industry (dyes and dye intermediates; bulk	Located outside the notified industrial area/estate	Located in a notified industrial area/estate	General as well as specific conditions shall apply

Project or Activity		Category with threshold limit		Conditions if any
		A	B	
		<b>Mining, extraction of natural resources and power generation (for a specified production capacity)</b>		
(1)	(2)	(3)	(4)	(5)
	drugs and intermediates excluding drug formulations; synthetic rubbers; basic organic chemicals, other synthetic organic chemicals and chemical intermediates)			
5g	Distilleries	(i) All molasses based distilleries  (ii) All cane juice/ non-molasses based distilleries $\geq 30$ KLD	All cane juice/non-molasses-based distilleries <30 KLD	General condition shall apply
5h	Integrated paint industry		All projects	General condition shall Apply
5i	Pulp and paper industry excluding manufacturing of paper from waste paper and manufacture of paper from ready pulp without bleaching	Pulp manufacturing and pulp and paper manufacturing industry	Paper manufacturing industry without pulp manufacturing	General condition shall apply
5j	Sugar industry		$\geq 5000$ TCD cane crushing capacity	General condition shall apply
6	<i>Service sectors</i>			
6a	Oil and gas transportation pipe line (crude and refinery/petrochemical products), passing through national parks/sanctuaries/ coral reefs/ecologically sensitive areas including LNG terminal	All projects		
6b	Isolated storage and handling of hazardous chemicals (as per threshold planning quantity indicated in column 3 of schedule 2 and 3 of MSIHC Rules 1989 amended 2000)		All projects	General condition shall apply
7	<i>Physical infrastructure including environmental services</i>			

Project or Activity		Category with threshold limit		Conditions if any
		A	B	
		<b>Mining, extraction of natural resources and power generation (for a specified production capacity)</b>		
(1)	(2)	(3)	(4)	(5)
7a	Air ports	All projects including air strips which are for commercial use.		Note: air strips, which do not involve bunkering/refueling facility and or air traffic control, are exempted.
7b	All ship breaking yards including ship breaking units	All projects		
7c	Industrial estates/parks/ complexes/areas, export processing zones (EPZs), special economic zones (SEZs), biotech parks, leather complexes	If at least one industry in the proposed industrial estate falls under the category A, entire industrial area shall be treated as category A, irrespective of the area.  Industrial estates with area greater than 500 ha. and housing at least one category B industry.	Industrial estates housing at least one category B industry and area <500 ha.  Industrial estates of area >500 ha. and not housing any industry belonging to category A or B.	General as well as special conditions shall apply  Note: (i) Industrial estate of area below 500 ha. and not housing any industry of category A or B does not require clearance. (ii) If the area is less than 500 ha but contains building and construction projects >20,000 sq.mtr. and or development area more than 50 ha, it will be treated as activity as listed at serial no. 8(a) or 8(b) in the schedule as the case may be.
7d	Common hazardous waste treatment, storage and disposal facilities (TSDFs)	All integrated facilities having incineration and landfill or incineration alone	All facilities having landfill only	General condition shall apply
7e	Ports , harbours, breakwaters, and dredging	≥5 million TPA of cargo handling capacity (excluding fishing harbours)	< 5 million TPA of cargo handling capacity and/or ports/ harbours ≥10,000 TPA of fish handling capacity	General condition shall Apply  Note: (i) Capital dredging inside and outside the ports or harbors and channels are included. (ii) Maintenance dredging is exempt provided it formed part of the original proposal for which Environment Management Plan

Project or Activity		Category with threshold limit		Conditions if any
		A	B	
		<b>Mining, extraction of natural resources and power generation (for a specified production capacity)</b>		
(1)	(2)	(3)	(4)	(5)
				(EMP) was prepared and environmental clearance obtained.
7f	Highways	(i) new national highways, and (ii) expansion of national highways greater than 30 km, involving additional right of way greater than 20m involving land acquisition and passing through more than one state.	(i) all new state highways projects, and (ii) state highways expansion projects in hilly terrain (above 1000m AMSL) and or ecologically sensitive areas.	General condition shall Apply  Note: highways include expressways
7g	Aerial ropeways	(i) all projects located at altitude of 1000m and above, and (ii) all projects located in notified ecologically sensitive areas.	All projects except those covered in column 3.	General condition shall apply
7h	Common Effluent Treatment Plants (CETPs)		All projects	General condition shall apply
7i	Common Municipal Solid Waste Management Facility (CMSWMF)		All projects	General condition shall apply
8.	Construction/Township/Commercial Complexes/Housing			
8a	Building and construction projects		≥50000 sq. m. and <1,50,000 sq. m. of built-up area	The built up or covered area on all the floors put together including basement(s) and other service areas, which are proposed in the building/construction projects.
8b	Townships and area development projects		Covering an area ≥100 ha and / or built up area ≥1,50,000 sq. m.++	++All projects under Item 8(b) shall be appraised as category B1

Notes:

General Condition (GC):

Any project or activity specified in category B will be treated as category A, if located in whole or in part within 10 km from the boundary of: (i) protected areas notified under the Wild Life (Protection) Act, 1972; (ii) critically polluted areas as notified by the Central Pollution Control Board from time-to-time; (iii) eco-sensitive areas as notified under section 3 of the Environment (Protection) Act, 1986, such as Mahabaleshwar, Panchgani, Matheran, Pachmarhi Dahanu, Doon Valley, and, (iv) inter-State boundaries and international boundaries.

Provided that the requirement regarding distance of 10 km of the inter-state boundaries can be reduced or completely done away with by an agreement between the respective states or UTs sharing the common boundary in case the

activity does not fall within 10 km of the areas mentioned at item (i), (ii) and (iii) above.

Specific Condition (SC):

If any industrial estate/complex/export processing zone/ special economic zone/biotech park/leather complex with homogeneous type of industries such as Items 4(d), 4(f), 5(e), 5(f), or those Industrial estates with pre-defined set of activities (not necessarily homogeneous), obtains prior environmental clearance, individual industries including proposed industrial housing within such estates/complexes will not be required to take prior environmental clearance, so long as the terms and conditions for the industrial estate/complex are complied with. Such estates/complexes must have a clearly identified management with the legal responsibility of ensuring adherence to the terms and conditions of prior environmental clearance, and must indicate the authority to be held responsible for violation of the same throughout the life of the complex/estate.

### ANNEX E- 3: COMPARATIVE ASSESSMENT OF ENVIRONMENTAL SAFEGUARD PROCESS, PROCEDURES, AND PRACTICES

EA Process, Procedure, and Practices	World Bank	Asian Development Bank	JBIC	KfW Development Bank	GOI EIA/EC System
Purpose	To evaluate potential environmental risks and impacts in a projects' area of influence, project alternatives, ways of improving project selection, siting, planning, design, and implementation by preventing, minimizing, or compensating of adverse environmental impacts and enhancing positive impacts.	To analyze, manage, and plan to address environmental impacts of development policies, strategies, programs, and projects.	To ensure that environmental and social aspects are considered in all projects supported by JBIC and appropriate measures are taken to prevent negative impacts and improve positive impacts.	Aims to ensure KfW development financed projects are appropriately analyzed and results of these analyses are taken into account during project preparation and decision making, implementation, and operation.	<ul style="list-style-type: none"> <li>The objective of EIA is to foresee and address potential environmental problems/concerns at an early stage of project planning and design.</li> <li>EIA/EMP should assist planners and government authorities in the decision making process by identifying the key impacts/issues and formulating mitigation measures.</li> </ul>
Topics/scope	Natural environment, human health and safety, social aspects, trans-boundary, and global environmental aspects.	Physical and biological environment, and social, health, and economic conditions.	Natural environment, human health (including occupational health), quality of life, cultural assets, and related social aspects in particular, involuntary resettlement.	Natural environment, human health, and safety and social issues.	<ul style="list-style-type: none"> <li>Physical and biological environment and social, health, and economic conditions.<sup>1</sup></li> <li>The impacts that should be assessed include air, noise, land, water, biological and socio-</li> </ul>

<sup>1</sup> EIA Notification, 2006 (MoEF, GOI). Available at: <http://envfor.nic.in/legis/eia/so1533.pdf>.



EA Process, Procedure, and Practices	World Bank	Asian Development Bank	JBIC	KfW Development Bank	GOI EIA/EC System
					economic.
Project requiring EIA	Any project with potential to cause significant adverse impacts that are sensitive, diverse, or unprecedented. Affect broad areas and cannot easily be predicted, prevented, or mitigated.	Any project with potential cause significant adverse environmental impacts.	Any project with potential to cause significant adverse impacts that are sensitive, diverse, or unprecedented. Affect broad areas and cannot easily be predicted, prevented, or mitigated.		These projects are well defined in EIA Notification (2006) as Schedule I. Criteria such as project type, size, and location are considered in stipulating EIA requirements.
Legal requirements/ standards applied	Must comply with national and World Bank standards and take account of national and international obligations and commitments.	National and/or World Bank standards (whichever are the most stringent) must be met. Alternative standards must be fully justified.	Environmental laws and standards of the host national and local government as well as their environmental policies and plans.	National standards of the host country must be met. If these are lacking or considered inadequate, other international standards e.g., from WB, European Union, and Germany shall be used. Emission (ambient value) standards are primarily guiding. Emission standards are used complementarily.	<ul style="list-style-type: none"> <li>Standards at national level are issued by Central Pollution Control Board (CPCB). These standards are generally at par (and in cases even stricter) than the international standards.</li> <li>Standards can be made stricter by State Pollution Control Board based on location specific considerations.</li> </ul>
General responsibilities	<ul style="list-style-type: none"> <li>Borrower is responsible for ensuring that all EA activities are carried out in accordance with national and World Bank requirements. Borrower is also responsible for</li> </ul>	<ul style="list-style-type: none"> <li>Borrower is responsible for doing the EA in accordance with national and ADB's EA requirements. The borrower is also responsible for</li> </ul>	<ul style="list-style-type: none"> <li>Project proponent/ borrower is responsible for ensuring that environmental considerations, in accordance with</li> </ul>	<ul style="list-style-type: none"> <li>Project proponent is responsible for carrying out national and KfW Development Bank EA requirements and presenting</li> </ul>	Responsibilities for preparing EIA are with the project proponent. MoEF and state departments of environment have responsibility finalizing

EA Process, Procedure, and Practices	World Bank	Asian Development Bank	JBIC	KfW Development Bank	GOI EIA/EC System
	<p>ensuring that the EMP is fully implemented and reported.</p> <ul style="list-style-type: none"> <li>Bank will review and agree screening category with borrower, review TOR of EIA studies, review EIA report and EMP, and require borrower to submit monitoring reports to Bank showing compliance with national and World Bank standards. World Bank will also carry out review missions to ensure compliance with EMP.</li> </ul>	<p>implementing the recommendations of the EA.</p> <ul style="list-style-type: none"> <li>The ADB will screen the project and is responsible for ensuring that the EA report meets the ADB's requirements and provides a sound basis for project processing and implementation. ADB will monitor implementation of agreed environmental mitigation measures by borrower.</li> </ul>	<p>national, local, and JBIC requirements are undertaken and reported to JBIC. They are also responsible for reporting to JBIC how environmental and social considerations are being monitored and managed during project implementation.</p> <ul style="list-style-type: none"> <li>JBIC will screen the project, disclose environmental impact information to the public via its website, review the environmental and social impacts when making its decision to approve funding and will monitor/to follow up after a decision on funding has been made.</li> </ul>	<p>such information to KfW Development Bank. They must also monitor and report to KfW Development Bank environmental issues during project implementation and operation as agreed to in contractual obligations.</p> <ul style="list-style-type: none"> <li>KfW Development Bank will screen and categorize all projects, review the environmental assessment work carried out and monitor implementation of contractual conditions.</li> </ul>	<p>TOR, review, and take a decision on EC.</p>
Timing	<p>EA should be initiated as early as possible" in the project cycle. Note that category A EA reports must be received at least 60 days before Board approval is due (and in some cases 120 days</p>	<p>EA activities begin as soon as potential projects for ADB financing are identified. EA studies are carried out simultaneously with pre-feasibility and feasibility studies. EA activities</p>	<p>Environmental and social considerations should be examined at the "earliest possible stage" in project planning.</p>	<p>Screening occurs "at an early stage" in project preparation. For financial cooperation projects/programs (including FI projects), KfW</p>	<p>Timing of EIA is concurrent to project development.</p>

EA Process, Procedure, and Practices	World Bank	Asian Development Bank	JBIC	KfW Development Bank	GOI EIA/EC System
	before).	should also continue throughout the project cycle, not a one-off report.		Development Bank explicitly requires that EIA should be seen as an integral part of the project design procedure and should influence the project from its preparation through to its conclusion.	
Screening					
Screening process	Each proposed project is screened to determine appropriate extent and type of EA. Projects are classified into one to four categories depending on type, location, sensitivity, and scale of project, and nature and magnitude of its environmental impacts. For dam and reservoir projects, the borrower must engage independent expert/s whose qualifications and TOR are acceptable to the bank,	Each proposed project is scrutinized as to its type, location, the sensitivity, scale, nature, and magnitude of potential environmental impacts and the availability of cost-effective mitigation measures.	Each proposed project is screened to determine appropriate extent and type of EA. Projects are classified into one to four categories depending on type, location, sensitivity, and scale of project, and nature and magnitude of its environmental impacts. For dam and reservoir projects, the borrower must engage independent expert/s whose qualifications and TOR are acceptable to	Screening is carried out by KfW based on information provided by project proponent. All projects are screened based on an OECD list of projects for which major impacts can be expected (depending on type of project, resources that will be used/affected and area to be affected)	Screening is done to see whether a project requires EC as per the statutory notifications. Screening criteria <sup>2</sup> are based upon: (i) scales of impact, (ii) severity of impact, and (iii) location of development. <sup>3</sup>

<sup>2</sup> In the EIA Notification dated 14<sup>th</sup> September 2006.

<sup>3</sup> The site of a project (e.g. in ecologically sensitive areas) is an important factor which decides whether an EC is required. Ecologically sensitive areas include coastal areas (protected by the CRZ Notification), forests (protected by the Forest Conservation Act), various areas notified by MOEF as Ecologically Sensitive Zones (ESZs) areas from, for example, Doon valley, Dahanu taluka, etc.) to wetlands, deserts, national parks, sanctuaries, corals, etc. (which are not protected by any specific notification). In case of industries, the Environmental Guidelines for Siting of Industry (framed in 1985) and the Environment (Siting for Industrial Projects) Rules, 1999 (presently in draft form) have to be complied.

EA Process, Procedure, and Practices	World Bank	Asian Development Bank	JBIC	KfW Development Bank	GOI EIA/EC System
	review the project BEFORE screening.		the bank, review the project BEFORE screening.	and activities where KfW support is prohibited as well as opinion of internal experts.	
Screening tools	Guidance is given on screening, area considered sensitive, etc.	<ul style="list-style-type: none"> <li>• Environmental Screening Checklist .</li> <li>• Rapid Environment Assessment (REA) Checklists.</li> <li>• Guidance is available to help classify/screen projects in the EA guidelines.</li> </ul>	Guidance is given on screening, area considered sensitive, etc.	Above mentioned OECD list of project sensitivities and actions considered unacceptable on environmental grounds and expert opinions.	Checklist and maps are used as screening tools
Categories	<ul style="list-style-type: none"> <li>• A: Likely to have significant adverse impacts that are sensitive, diverse, or unprecedented and may affect a broad area.</li> <li>• B: Potential impacts are less adverse than for category A, they are site specific, few if any are irreversible and in most cases, mitigatory measures can be designed more readily than for category A projects.</li> <li>• C: Minimal or no</li> </ul>	<ul style="list-style-type: none"> <li>• A: Potential to have significant adverse environmental impacts.</li> <li>• B: Some environmental impact but less significant than category A.</li> <li>• C: Unlikely to have adverse environmental impacts</li> <li>• FI: Involve investment through an FI. Financial intermediary must apply an environmental management system</li> </ul>	<ul style="list-style-type: none"> <li>• A: Likely to have significant adverse impacts that are sensitive, diverse, or unprecedented and may affect a broad area.</li> <li>• B: Potential impacts are less adverse than for category A, they are site specific, few if any are irreversible and in most cases, mitigatory measures can be designed more readily than for category A projects.</li> </ul>	<ul style="list-style-type: none"> <li>• Programmatic approach: screening either results in projects that are environmentally relevant (i.e., further investigation needed or projects are rejected with this concept) or are environmentally irrelevant (no or insignificant environmental impacts are expected and no</li> </ul>	All projects and activities are broadly categorized in to two categories–category A and category B, based on the spatial extent of potential impacts and potential impacts on human health and natural and man-made resources.

EA Process, Procedure, and Practices	World Bank	Asian Development Bank	JBIC	KfW Development Bank	GOI EIA/EC System
	<p>adverse environmental impacts.</p> <ul style="list-style-type: none"> <li>• FI: May result in adverse environmental impacts financed through a financial intermediary.</li> </ul>	<p>unless all subprojects will result in insignificant impacts. Categorization can be changed if necessary.</p>	<ul style="list-style-type: none"> <li>• C: Minimal or no adverse environmental impacts.</li> <li>• FI: May result in adverse environmental impacts financed through a financial intermediary.</li> </ul>	<p>particular protective, supervisory, and/or compensatory measures are required).</p> <ul style="list-style-type: none"> <li>• There is no formal categorization for screening.</li> <li>• Categorization takes place after appraisal according to future action needed during implementation and operation (such action comprise measures of mitigation, monitoring, or compensation)</li> </ul>	
Overriding criterion for categorization	Multiple component projects are categorized according to the component with potentially most serious adverse effects. Dual categories are not used.	EA category is determined by the category of its most environmentally sensitive components including direct and indirect impacts.	EA requirements apply to the whole project, not just the parts financed by FC funds e.g., rehabilitation or expansion of existing facilities.	Multiple component projects are categorized according to the component with potentially most serious adverse effects. Dual categories are not	Not addressed nor applicable in EC

EA Process, Procedure, and Practices	World Bank	Asian Development Bank	JBIC	KfW Development Bank	GOI EIA/EC System
EA activities as a result of screening	<ul style="list-style-type: none"> <li>• A: Requires detailed assessment of impacts.</li> <li>• B: Requires less detailed assessment than category A.</li> <li>• C: Screening is required and decision recorded.</li> <li>• FI: FI must carry out EA Procedures in accordance with OP 4.01. If subprojects are of category A or B type, FI must demonstrate to the Bank its commitment and capability to carrying out necessary Environmental Safeguard work.</li> </ul>	<ul style="list-style-type: none"> <li>• A: Requires EIA</li> <li>• B: Requires Initial Environmental Examination (IEE) and if necessary an EIA thereafter</li> <li>• C: No EA required but environmental implications must be reviewed and recorded.</li> <li>• FI: must apply an environmental management system acceptable to ADB to ensure environmental aspects of projects are adequately considered.</li> </ul>	<ul style="list-style-type: none"> <li>• A: Requires detailed assessment of impacts.</li> <li>• B: Require less detailed assessment than category A.</li> <li>• C: Screening is required and decision recorded.</li> <li>• FI: FI must carry out EA Procedures in accordance with OP 4.01. If subprojects are of category A or B type, FI must demonstrate to the Bank its commitment and capability to carrying out necessary environmental safeguard work.</li> </ul>	used. EA study is required only for those screened as “environmentally relevant.” “Irrelevant” projects must check/monitor whether environmentally relevant changes occur during implementation and operation.	
<b>EA TOR and Methodology</b>					
Responsibilities for TOR preparation and review	<ul style="list-style-type: none"> <li>• For category A projects, a field visit by an environmental specialist should be carried out to prepare the scope, procedures, schedule, and outline for the EA study. Project affected</li> </ul>	For category A project, an initial fact finding mission by the project preparation team (ADB) should include review of screening category and preparation of necessary TOR for the EIA study.	No specifications are given on who prepares the TOR for an EA study or whether JBIC checks and approves this.	Responsibility for preparation of TORs for EIA studies rests with the project proponent but they must be agreed with KfW (this same rule is applied for the	All project proposals requiring EA may be examined according to the following review process:  (i) Appraisal is the detailed scrutiny by

EA Process, Procedure, and Practices	World Bank	Asian Development Bank	JBIC	KfW Development Bank	GOI EIA/EC System
	<p>persons and local NGOs should be consulted before the TOR is finalized.</p> <ul style="list-style-type: none"> <li>For all other projects, borrower must discuss and agree EIA scope and TOR with the bank. World Bank will help in drafting TOR as necessary.</li> </ul>	<p>For both category A and B projects, TOR must be discussed and agreed with the National Environment Agency and the borrower. Project affected persons and local NGOs must also be consulted about the TOR and their views/concerns reflected before the TOR is approved by the ADB.</p>		<p>TOR of feasibility studies). Specific guidance is given on how TORs should be prepared in the Environmental Handbook of MBZ Vol. 1, section 0.</p>	<p>the EAC or SEAC of the application and other documents like the final EIA report, outcome of the public consultations including public hearing proceedings, submitted by the applicant to the regulatory authority concerned for grant of EC. This appraisal shall be made by EAC or SEAC concerned in a transparent manner in a proceeding to which the applicant shall be invited for furnishing necessary clarifications in person or through an authorized representative. On conclusion of this proceeding, the EAC or SEAC concerned shall make categorical recommendations to the regulatory authority concerned either for grant of prior EC on stipulated terms and</p>

EA Process, Procedure, and Practices	World Bank	Asian Development Bank	JBIC	KfW Development Bank	GOI EIA/EC System
					<p>conditions, or rejection of the application for prior EC, together with reasons for the same.</p> <p>(ii) The appraisal of all projects or activities which are not required to undergo public consultation, or submit an Environment Impact Assessment report, shall be carried out on the basis of the prescribed application form 1 and form 1A as applicable, any other relevant validated information available and the site visit wherever the same is considered as necessary by the EAC or SEAC concerned.</p>
Tools and methods to be	Advice on pollution	Some guidance on the	Generic guidance is	Guidance on tools,	<ul style="list-style-type: none"> <li>• Scoping<sup>4</sup> is a</li> </ul>

<sup>4</sup> All projects and activities listed as category B in Item 8 of the schedule (construction/township/commercial complexes/housing) shall not require scoping and will be



EA Process, Procedure, and Practices	World Bank	Asian Development Bank	JBIC	KfW Development Bank	GOI EIA/EC System
used	abatement measures, guidance on impact etc. are provided in World Bank Pollution Abatement Handbook and Environment Assessment Sourcebook (and updates).	approach to completing EA studies is provided in the ADB's Environmental Assessment Guidelines. ADB follows standards and approach laid down in the World Bank's Pollution Abatement Handbook.	given on the underlying principles which should be adopted in preparing EA studies. Analyses of environmental impacts must for example include an analysis of costs and benefits in as quantitative terms as possible.	methods, and standards are provided in BMZ's Environmental Handbook. Reference is also made to the World Bank's Industrial Pollution Abatement Handbook and the OECD DAC Guideline for Environment and Aid No, 1 (on EIA).	<p>process of detailing the terms of reference of EIA. It refers to the process by which the EAC/SEAC<sup>5</sup> determine detailed and comprehensive TOR addressing all relevant environmental concerns for the preparation of an EIA report with respect to the project or activity for which prior EC is sought.</p> <ul style="list-style-type: none"> <li>The MoEF has published guidelines for different sectors, which outline the significant issues to be addressed in the EIA studies.</li> </ul>
Standards applied	<ul style="list-style-type: none"> <li>Emissions and environmental quality standards as per Pollution Abatement Handbook and/or national standards whichever are the most</li> </ul>	Emissions and environmental quality standards as per World Bank Pollution Abatement Handbook and/or national standards whichever are the most stringent.	Environmental standards of host national and local governments and also standards and/or good practice from international and regional organizations	National and local environmental standards of the partner/recipient country. Where specific standards are not developed or	National standards as stipulated by CPCB. These standards can be tightened by SPCBs depending on the sensitivity of the location.

appraised on the basis of form 1/ form 1A and the conceptual plan.

<sup>5</sup> The composition of the EAC will be as given in the EC Notification dt. 14th September 2006. The SEAC at the State or the Union territory level shall be constituted by the Central Government in consultation with the concerned State Government or the Union territory Administration with identical composition

EA Process, Procedure, and Practices	World Bank	Asian Development Bank	JBIC	KfW Development Bank	GOI EIA/EC System
	<p>stringent.</p> <ul style="list-style-type: none"> <li>Alternative standards may be proposed but their application must be fully justified.</li> </ul>	<p>Alternative standards may be proposed but their application must be fully justified.</p>	<p>and Japan as benchmarks. Any deviation from these must be fully justified.</p>	<p>are deemed inappropriate, other international standards (European Union, Germany, World Bank) should be applied. Guidance on standards is given in Volume 3 of BMZ's Environmental Handbook.</p>	
EA Documentation					
Contents	<p>Detailed guidance on contents of category A EA reports. Should include chapters on:</p> <ul style="list-style-type: none"> <li>(i) Executive summary</li> <li>(ii) Policy, legal, and administrative framework</li> <li>(iii) Project description</li> <li>(iv) Baseline data</li> <li>(v) Environmental impacts</li> <li>(vi) Analysis of alternatives</li> <li>(vii) Environmental Management Plan (including mitigation measures)</li> <li>(viii) Appendices</li> </ul>	<p>Guidance on contents of category A and B reports. category A EIA report should contain:</p> <ul style="list-style-type: none"> <li>(i) Project description</li> <li>(ii) Description of the environment</li> <li>(iii) Anticipated environmental impacts and mitigation measures</li> <li>(iv) Alternatives</li> <li>(v) Economic assessment</li> <li>(vi) Environmental Management Plan including Institutional requirements and monitoring programs</li> <li>(vii) Public consultation and disclosure</li> <li>(viii) Conclusion</li> </ul>	<p>JBIC suggests that the following contents for a category A EIA report is desirable:</p> <ul style="list-style-type: none"> <li>(i) Executive summary</li> <li>(ii) Policy, legal, and administrative framework</li> <li>(iii) Project description</li> <li>(iv) Baseline data</li> <li>(v) Environmental impacts</li> <li>(vi) Analysis of alternatives</li> <li>(vii) Environmental Management Plan</li> <li>(viii) Record of consultation</li> </ul>	<p>No report formats are prescribed for EA studies or EMPs although a master format is recommended in the Environmental Handbook, Vol. 1, Section 0. However, there is a specific format required for the project appraisal report which KfW Development Bank must submit to the German Government. This requires the following information:</p> <ul style="list-style-type: none"> <li>(i) Description of the project area</li> </ul>	<p>Contents of the report defined by MoEF and maintained on its website. The contents are equivalent to those of MDBs</p>

EA Process, Procedure, and Practices	World Bank	Asian Development Bank	JBIC	KfW Development Bank	GOI EIA/EC System
		<p>(ix) Category B IEE report (except projects deemed environmentally sensitive) should contain the same as category A but with less detail, limited consideration of alternatives and description of institutional arrangements and environmental monitoring plan rather than an EMP.</p>		<p>(environmental/ecological situation and legal context)</p> <p>(ii) Project description (of relevance to environment)</p> <p>(iii) Identification and assessment of environmental impacts and a description of mitigation, monitoring, and compensation measures.</p> <p>(iv) Summary on whether project is acceptable and classification of project based on impacts predicted in the EIA study</p>	
Responsibilities for preparation	Borrower is responsible for carrying out the EA. For category A projects, independent EA experts not affiliated with the project should be retained.	<ul style="list-style-type: none"> <li>Borrower is responsible for preparing the EIA reports for category A and IEE report for category B projects.</li> <li>Borrower must also prepare EIA (SEIA) or summary IEE (SIEE)</li> </ul>	The borrower or related parties must complete EIA reports for category A projects.	The project proponent/ investor is responsible for preparing EIA documentation for local/national approval of the project/activity. However, KfW Development Bank	Responsibility of preparation of EIA is with the project proponent

EA Process, Procedure, and Practices	World Bank	Asian Development Bank	JBIC	KfW Development Bank	GOI EIA/EC System
		reports highlighting the main findings of the EIA and IEE Reports.		will provide professional advice to its partner country on environmental issues and financial assistance (similar approach as for feasibility studies).	
Responsibilities for review	All EA studies are first reviewed by borrower and accepted by them. For category A projects of highly risky or contentious nature, borrower should also engage an advisory panel of independent, internationally recognized specialists. The bank then reviews the findings and recommendations of the EA to determine whether they provide an adequate basis for decision-making. If a borrower has already prepared EA studies prior to the bank's involvement, the bank will review this work for consistency against OP 4.01. If necessary, the bank may then require additional work including consultation and disclosure.	The executing agency and ADB review the draft EIA or IEE report to ensure that it meets ADB requirements and provides sound basis for project processing and implementation. Consistent with the environmental requirements of the borrowing country, the national environmental agency and project executing agency must clear the EA and summary reports before EIA, IEE, and summary reports (SEIA and SIEE) are submitted to the bank for disclosure. The views of the national environmental agency, the ADB, project executing agency and affected groups and local NGOs on the draft EIA should be incorporated	For category A and B projects, JBIC carries out an environmental review to ensure that its procedures have been complied with. (i) For category A: Borrowers and related parties must submit their locally approved EIA report to JBIC for review plus any other relevant reports (e.g., resettlement plans etc.). JBIC uses a sector checklist tool to review these documents and the project. (ii) For category B: similar checklist approach is used based on available information about the project—this may include EIA studies but is not a	Projects/ investment activity must receive formal environmental approval as required under national legal systems in the recipient country before KfW can approve the loan/investment. During implementation and operation, KfW together with the project sponsor and relevant host country ministries will review the environmental aspects of the project and determine whether impacts have been sufficiently minimized.	MoEF and state departments of environment have responsibility for review. Review is carried out by appointing multi-disciplinary and multi-institutional representatives consisting research/academia, environmental NGOs, planners and administrators.

EA Process, Procedure, and Practices	World Bank	Asian Development Bank	JBIC	KfW Development Bank	GOI EIA/EC System
		before formal submission on the bank for disclosure.	mandatory requirement. (iii) For category C: no environment review is required beyond screening. (iv) For category FI: JBIC will review the FI to check whether appropriate environmental and social considerations required by JBIC are ensured for projects.		
Language	EA reports submitted to the bank must be in English, French, or Spanish and the executive summary in English. For disclosure purposes, summaries must also be prepared in the local language of project affected persons/local NGOs.	<ul style="list-style-type: none"> <li>For category A projects, the borrower must translate the SEIA into the local language.</li> <li>No other specifications are given on language</li> </ul>	For category A projects, EIA reports must be written in official language or language widely used in the country where the project is implemented. When explaining projects to local residents, written materials must be provided in a language and form understandable to them.	No mention is made about language of environmental safeguard activities.	English and summary in local language(s) during public hearing
<b>Impact Mitigation</b>					
Principles of mitigation	Preventative measures are favored over mitigatory or compensation measures.	No detail is given on preferred mitigation hierarchy.	Priority is given to impact, prevention, and where this is not possible, minimization and reduction of impacts must be considered	No detail is given on preferred mitigation hierarchy. In principle, integrated approaches-where possible are	For every project, possible alternatives should be identified and environmental attributes compared. Alternatives should

EA Process, Procedure, and Practices	World Bank	Asian Development Bank	JBIC	KfW Development Bank	GOI EIA/EC System
			next. Compensation should be considered a last resort.	preferred. Generally, the precautionary principle is the overarching concept.	cover both project location and process technologies. Alternatives should consider "no project" option also. Alternatives should then be ranked for selection of the best environmental option for optimum economic benefits to the community at large.
Environmental Management Plan	Integral part of the EA study. Should be prepared as part of category A EA study. Category B projects, EA may result in an EMP only. Consists of full set of mitigation, monitoring, and institutional measures to be taken during implementation and operation of the project.	EMPs must be prepared for category A and environmentally sensitive category B projects. Must outline specific mitigation measures, environmental monitoring requirements, and related institutional arrangements including budget requirements. Detailed guidance is provided on contents.	Environmental Management Plans and Monitoring Plans must be developed where appropriate (and are required for category A projects) and should include the costs of implementing such plans and financial funds and methods to be used to do this. Illustrative guidance is given on what should be monitored.	No specific mention is made to an EMP and its format, as necessary measures for appropriate mitigation, monitoring and compensation must be included in any EIA study as a standard element.	<ul style="list-style-type: none"> <li>• Once alternatives have been reviewed, a mitigation plan should be drawn up for the selected option and is supplemented with an EMP to guide the proponent towards environmental improvements.</li> <li>• The EMP would consist of all mitigation measures for each item wise activity to be undertaken during the construction, operation and the entire life cycle to minimize adverse environmental</li> </ul>

EA Process, Procedure, and Practices	World Bank	Asian Development Bank	JBIC	KfW Development Bank	GOI EIA/EC System
					impacts as a result of the activities of the project. It would also delineate the environmental monitoring plan for compliance of various environmental regulations. It will state the steps to be taken in case of emergency such as accidents at the site including fire.
Consultation and Disclosure					
Public consultation requirements	<p>Borrower must consult with project affected groups and local NGOs about the project's aspects and take their views into account for all category A and B projects. For category A projects, consultation must happen at least twice:</p> <p>(i) Shortly after screening and before TOR for EA study reports is prepared. The borrower must also consult with these groups during project implementation.</p> <p>(ii) During EA review by the Bank, special attention is paid to the</p>	<ul style="list-style-type: none"> <li>Borrower must consult with project affected groups and local NGOs for all category A and B projects. Must be carried out as early as possible in the project cycle so that views are taken into account in project design and mitigation measures. Consultation should continue into project implementation to identify and help address environmental issues that arise.</li> <li>Category A projects,</li> </ul>	<ul style="list-style-type: none"> <li>For category A projects, stakeholders such as local residents must be consulted during preparation of EIA after sufficient information has been disclosed to them.</li> <li>Consultations must be recorded. Consultation should also continue if necessary throughout preparation and implementation of the project.</li> </ul>	<p>Very little specific information regarding public consultation is explicitly provided. However, KfW Development Bank does require that information for and the interest of people affected (e.g., as represented by local NGOs, municipalities, or cooperatives) must be include in the planning and decision-making process where possible e.g.,</p>	<ul style="list-style-type: none"> <li>Requires that the locally affected persons and other stakeholders must be informed and consulted on a proposed development with a view to taking into account all the material concerns in the project or activity design as appropriate.</li> <li>Any one likely to be affected by the proposed project is entitled to have</li> </ul>

EA Process, Procedure, and Practices	World Bank	Asian Development Bank	JBIC	KfW Development Bank	GOI EIA/EC System
	<p>nature of consultations and the extent to which views of affected persons and local NGOs have been taken into account.</p>	<p>consultation must occur at least twice:</p> <ul style="list-style-type: none"> <li>(i) during early stage of EIA field work (the TOR for the EIA study should be disclosed to and discussed with affected groups/local NGOs), and</li> <li>(ii) when draft EIA report is available and before the loan is appraised. The public consultation process must be described in the EIA and IEE reports.</li> </ul> <ul style="list-style-type: none"> <li>• If an EIA report has been completed before ADB involvement, ADB will review the public consultation and disclosure carried out. If it does not meet ADB requirements, the borrower must carry out supplemental activities which will then be reported in revised EA reports and submitted to the bank.</li> </ul>	<ul style="list-style-type: none"> <li>• JBIC considers it highly desirable to engage stakeholders twice: during scoping of the EIA and when the draft report is being prepared. Where indigenous people may be affected adversely, efforts must be made to obtain the consent of such peoples after they have been fully informed.</li> <li>• JBIC may seek the opinion of concerned organizations and stakeholders when reviewing projects.</li> </ul>	<p>through public participation or hearings.</p>	<p>access to the executive summary of the EIA.</p> <ul style="list-style-type: none"> <li>• The affected persons may include: bonafide local residents; local associations; environmental groups: active in the area; and any other person located at the project site / sites of displacement</li> <li>• They are to be given an opportunity to make oral/written suggestions to the SPCB/regulatory agency.</li> </ul>
Information disclosure requirements	<ul style="list-style-type: none"> <li>• To enable meaningful consultation, the borrower must provide project-affected groups</li> </ul>	<ul style="list-style-type: none"> <li>• To facilitate meaningful consultation with project affected groups and local NGOs, the</li> </ul>	<p>JBIC will disclose information as follows:</p> <ul style="list-style-type: none"> <li>(i) On completion of screening, the</li> </ul>	<p>No explicit requirement for information disclosure is given as all information for</p>	<p>An EIA report should provide clear information to the decision-maker on the different environmental</p>



EA Process, Procedure, and Practices	World Bank	Asian Development Bank	JBIC	KfW Development Bank	GOI EIA/EC System
	<p>and local NGOs on all category A and B projects (proposed for IBRD and IDA financing) relevant material in a timely manner in a form and language understandable and accessible to groups consulted.</p> <ul style="list-style-type: none"> <li>For category A projects and any separate category B report, the borrower must provide an initial summary of project activities and potential impacts for consultation before EA preparation and a summary of EA conclusions on completion of the draft EA. In addition, draft EA report must be made available at a public place accessible to project affected groups and local NGOs. The Bank will not consider appraisal of the project until this has been done.</li> </ul>	<p>borrower must provide information on the project's environmental issues in a form and language(s) accessible to those being consulted. For category A EIA studies, the TOR for such studies must be disclosed to affected persons and local NGOs and their views and concerns sought before the TOR is finalized.</p> <ul style="list-style-type: none"> <li>On completion of the EIA and IEE reports, the borrower must submit summary reports (SEIA and SIEE) to the bank for public disclosure via a depository library system and on the ADB website. The full EIA or IEE are also made available to interested parties on request.</li> <li>For all category A projects and category B projects deemed</li> </ul>	<p>project name, country, location, an outline and sector of project, its screening category and reasons for this classification.</p> <ul style="list-style-type: none"> <li>(ii) For category A and B projects, status of major documents on environmental and social considerations by borrowers related parties e.g., EIA reports and environmental permit certificates. EIA reports will be made available.</li> <li>(iii) Result of environmental reviews of project after executing the loan agreement (provided on JBIC website).</li> <li>(iv) For Category A projects, the Borrower or project proponent must ensure that written materials used to explain the project to</li> </ul>	<p>an in the appraisal report to the responsible German Federal Ministry (BMZ) has to be kept confidential.</p>	<p>scenarios without the project, with the project and with project alternatives. Uncertainties should be clearly reflected in the EIA report.<sup>6</sup></p>

<sup>6</sup> The structure of the EIA report has been provided in the annexure to the EIA Notification (Appendix III). Available at: <http://envfor.nic.in/legis/eia/so1533.pdf>

EA Process, Procedure, and Practices	World Bank	Asian Development Bank	JBIC	KfW Development Bank	GOI EIA/EC System
	<ul style="list-style-type: none"> <li>World Bank requires that the EIA be disclosed prior to the project appraisal mission and for a minimum of 60 days (category A) or 30 days (category B) prior to the date of board approval. Note that for projects that have potentially significant environmental impacts, the World Bank may require that the EIA or a summary thereof be submitted to the US Executive Director 120 days prior to board approval.</li> </ul>	<p>environmentally sensitive, the SEIA or SIEE must be disclosed to the public for 120 days before ADB's Board of Directors considers the loan or before approval of significant change in scope of project or subprojects.</p>	<p>local residents are provided in a language and form understandable to them. EIA reports must then be made available in the country and to the local residents where the project is to be implemented. They must be available at all times for perusal by project stakeholders and copying must be permitted. It is also desirable that project proponent make monitoring results available to project stakeholders.</p>		
<b>Implementation and Monitoring</b>					
Responsibilities ensuring implementation of EMP	<p>The Borrower must report to the Bank on:</p> <ul style="list-style-type: none"> <li>(i) compliance with measures agreed with the bank based on findings of the EA including implementation of the EMP</li> <li>(ii) status of mitigatory measures</li> <li>(iii) findings of monitoring plans</li> </ul>	<p>For category A and all environmentally sensitive category B projects, the borrower must submit semi-annual reports on the implementation of EMPs as required in the loan agreement. ADB will conduct an annual review mission of environmental aspects of the project.</p>	<ul style="list-style-type: none"> <li>Project proponent is responsible for implementing environmental and social considerations for the project. JBIC in principles confirms that the project proponent is undertaking commitments</li> </ul>	<ul style="list-style-type: none"> <li>The project proponent/ investor is responsible for delivering regular project progress reports and implementing any recommendations for environmental protection and monitoring</li> </ul>	<ul style="list-style-type: none"> <li>It is mandatory for the project management to submit half-yearly compliance reports with respect to the stipulated prior EC terms and conditions in hard and soft copies to the regulatory authority concerned, on 1</li> </ul>

EA Process, Procedure, and Practices	World Bank	Asian Development Bank	JBIC	KfW Development Bank	GOI EIA/EC System
	<ul style="list-style-type: none"> <li>The bank supervises the borrower to ensure that procurement arrangements are consistent with the environmental requirements set out in projects legal agreements. The bank will carry out supervision missions incorporating suitable environmental expertise.</li> </ul>		<p>associated with environmental and social consideration for category A and B projects. The information necessary for monitoring by JBIC needs to be supplied by the borrower and related parties by appropriate means. If JBIC judges that there is a need for improvement in the situation with respect to environmental and social considerations, it may ask the project proponent, through the borrower, to take appropriate action in accordance with the loan agreement.</p> <ul style="list-style-type: none"> <li>The project proponent is requested to monitor: <ul style="list-style-type: none"> <li>(i) whether any situations that were previously unforeseen arise</li> <li>(ii) to check the implementation and effectiveness of mitigation measures. It is</li> </ul> </li> </ul>	<p>outlined in the EIA report and loan agreement. KfW Development Bank will agree specific actions to be taken which will be incorporated in contract documentation.</p> <ul style="list-style-type: none"> <li>KfW Development Bank will monitor the implementation of such commitments receiving above mentioned monitoring reports or any other agreed means. In principle, the implementation of a Resettlement Action Plan (RAP) has to be completed before the start of construction.</li> </ul>	<p>June and 1 December of each calendar year.</p> <ul style="list-style-type: none"> <li>All such compliance reports submitted by the project management shall be public documents. Copies of the same shall be given to any person on application to the concerned regulatory authority. The latest such compliance report shall also be displayed on the web site of the concerned regulatory authority.</li> <li>Monitoring will enable the regulatory agency to review the validity of predictions and the conditions of implementation of the EMP.</li> </ul>

EA Process, Procedure, and Practices	World Bank	Asian Development Bank	JBIC	KfW Development Bank	GOI EIA/EC System
			desirable that such results are made available to stakeholders.		

## **ANNEX E-4: SAFEGUARD REQUIREMENTS OF THE DFIs FOR PROJECTS HAVING SIGNIFICANT ENVIRONMENTAL IMPACTS**

### **A. Introduction**

1. Safeguard requirements hereunder outlines the requirements that borrowers/clients are required to meet when delivering environmental safeguards for projects<sup>1</sup> supported by the development financial institutions (DFIs) (see footnote below)<sup>2</sup>. It discusses the objectives and scope of application, and underscores the requirements for undertaking the environmental assessment process. These requirements include assessing impacts, planning and managing impact mitigations, preparing environmental assessment reports, disclosing information and undertaking consultation, establishing a grievance mechanism, and monitoring and reporting. The document also includes particular environmental safeguard requirements pertaining to biodiversity conservation and sustainable management of natural resources, pollution prevention and abatement, occupational and community health and safety, and conservation of physical cultural resources. The applicability of particular requirements is established through the environmental assessment process and compliance with the requirements is achieved through implementation of environmental management plans agreed to by DFIs and the borrower/client.

### **B. Objectives**

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

### **C. Scope of Application**

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

### **D. Requirements**

#### **1. Environmental Assessment**

4. Environmental assessment is a generic term used to describe a process of environmental analysis and planning to address the environmental impacts and risks associated with a project. At an early stage of project preparation, the borrower/client will identify potential direct, indirect, cumulative, and induced environmental impacts on and risks to physical, biological, socioeconomic, and physical cultural resources and determine their significance and scope, in consultation with stakeholders, including affected persons and concerned nongovernment organizations (NGOs). If potentially adverse environmental impacts and risks are identified, the borrower/client will undertake an environmental assessment as early as possible in the project cycle. For projects with potentially significant adverse impacts that are

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<sup>1</sup> In this attachment, the term "projects" refers to "subprojects", and the term "borrower/client" refers to "lead bank or subproject proponent".

<sup>2</sup> The safeguard requirements outlined here pertain to Asian Development Bank's. Annex E-4 was derived from Appendix 1 to the ADB Safeguard Policy Statement (2009). Other DFIs may also have similar requirements.

diverse, irreversible, or unprecedented, the borrower/client will examine alternatives to the project's location, design, technology, and components that would avoid, and, if avoidance is not possible, minimize adverse environmental impacts and risks. The rationale for selecting the particular project location, design, technology, and components will be properly documented, including, cost-benefit analysis, taking environmental costs and benefits of the various alternatives considered into account. The "no project" alternative will be also considered.

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

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

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

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

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

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

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

## **2. Environmental Planning and Management**

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

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

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

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

will be determined on a case-by-case basis.

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

### **3. Information Disclosure**

16. The borrower/client will submit to ADB through IIFCL a draft full EIA (including the draft EMP) or compliance audit report including a corrective action plan at least 120 days prior to IIFCL Board consideration, for disclosure on ADB's website:

17. The borrower/client will provide relevant environmental information, including information from the EIA/EMP or compliance audit report including a corrective action plan in a timely manner, in an accessible place and in a form and language(s) understandable to affected persons and other stakeholders. For illiterate people, other suitable communication methods will be used.

### **4. Consultation and Participation**

18. The borrower/client will carry out meaningful consultation with affected persons and other concerned stakeholders, including civil society, and facilitate their informed participation. Meaningful consultation is a process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle;<sup>3</sup> (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected persons; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected persons and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues. Consultation will be carried out in a manner commensurate with the impacts on affected communities. The consultation process and its results are to be documented and reflected in the environmental assessment report.

### **5. Grievance Redress Mechanism**

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

### **6. Monitoring and Reporting**

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<sup>3</sup> For environment category A projects, such consultations will necessarily include consultations at the early stage of EIA field work and when the draft EIA report is available during project preparation, and before project appraisal.



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

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

## **7. Unanticipated Environmental Impacts**

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

## **8. Biodiversity Conservation and Sustainable Natural Resource Management**

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

### **a. Modified Habitats**

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

### **b. Natural Habitats**

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<sup>4</sup> The variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.

25. In areas of natural habitat,<sup>5</sup> the project will not significantly convert or degrade<sup>6</sup> such habitat, unless the following conditions are met:

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

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

### **c. Critical Habitats**

27. No project activity will be implemented in areas of critical habitat<sup>7</sup> unless the following requirements are met:

- (i) There are no measurable adverse impacts, or likelihood of such, on the critical habitat which could impair its high biodiversity value or the ability to function.
- (ii) The project is not anticipated to lead to a reduction in the population of any recognized endangered or critically endangered species<sup>8</sup> or a loss in area of the habitat concerned such that the persistence of a viable and representative host ecosystem be compromised.
- (iii) Any lesser impacts are mitigated in accordance with para. 27.

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

### **d. Legally Protected Areas**

29. In circumstances where some project activities are located within a legally protected

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<sup>5</sup> Land and water areas where the biological communities are formed largely by native plant and animal species, and where human activity has not essentially modified the area's primary ecological functions.

<sup>6</sup> Significant conversion or degradation is (i) the elimination or severe diminution of the integrity of a habitat caused by a major, long-term change in land or water use; or (ii) the modification of a habitat that substantially reduces the habitat's ability to maintain viable populations of its native species. Significant conversion may include, for example, land clearing; replacement of natural vegetation (for example, by crops or tree plantations); permanent flooding (by a reservoir for instance); drainage, dredging, filling, or canalization of wetlands; or surface mining.

<sup>7</sup> Critical habitat is a subset of both natural and modified habitat that deserves particular attention. Critical habitat includes areas with high biodiversity value, including habitat required for the survival of critically endangered or endangered species; areas having special significance for endemic or restricted-range species; sites that are critical for the survival of migratory species; areas supporting globally significant concentrations or numbers of individuals of congregatory species; areas with unique assemblages of species or that are associated with key evolutionary processes or provide key ecosystem services; and areas having biodiversity of significant social, economic, or cultural importance to local communities. Critical habitats include those areas either legally protected or officially proposed for protection, such as areas that meet the criteria of the World Conservation Union classification, the Ramsar List of Wetlands of International Importance, and the United Nations Educational, Scientific, and Cultural Organization's world natural heritage sites.

<sup>8</sup> As defined by the World Conservation Union's Red List of Threatened Species or as defined in any national legislation.

area, in addition to the requirement specified in para. 28, the borrower/client will meet the following requirements:

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

**e. Invasive Alien Species**

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

**f. Management and Use of Renewable Natural Resources**

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

**9. Pollution Prevention and Abatement**

32. During the design, construction, and operation of the project the borrower/client will apply pollution prevention and control technologies and practices consistent with international good practice, as reflected in internationally recognized standards such as the World Bank Group's *Environment, Health and Safety Guidelines*.<sup>9</sup> These standards contain performance levels and measures that are normally acceptable and applicable to projects. When host country regulations differ from these levels and measures, the borrower/client will achieve whichever is more stringent. If less stringent levels or measures are appropriate in view of specific project circumstances, the borrower/client will provide full and detailed justification for any proposed alternatives that are consistent with the requirements presented in this document.

**a. Pollution Prevention, Resource Conservation, and Energy Efficiency**

33. The borrower/client will avoid, or where avoidance is impossible, will minimize or control the intensity or load of pollutant emission and discharge. In addition the borrower/client will examine and incorporate in its operations resource conservation and energy efficiency measures consistent with the principles of cleaner production. When the project has the

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<sup>9</sup> World Bank Group, 2007. *Environmental, Health, and Safety General Guidelines*. Washington, DC.

potential to constitute a significant source of emissions in an already degraded area, strategies that help improve ambient conditions, such as evaluating alternative project locations and considering emissions offsets, will be introduced.

**b. Wastes**

34. The borrower/client will avoid, or where avoidance is not possible, will minimize or control the generation of hazardous and nonhazardous wastes and the release of hazardous materials resulting from project activities. Where waste cannot be recovered or reused, it will be treated, destroyed, and disposed of in an environmentally sound manner. If the generated waste is considered hazardous, the client will explore reasonable alternatives for its environmentally sound disposal considering the limitations applicable to its transboundary movement.<sup>10</sup> When waste disposal is conducted by third parties, the borrower/client will use contractors that are reputable and legitimate enterprises licensed by the relevant regulatory agencies.

**c. Hazardous Materials**

35. The borrower/client will avoid the manufacture, trade, and use of hazardous substances and materials subject to international bans or phaseouts because of their high toxicity to living organisms, environmental persistence, potential for bioaccumulation, or potential for depletion of the ozone layer<sup>11</sup> and will consider the use of less hazardous substitutes for such chemicals and materials.

**d. Pesticide Use and Management**

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

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

**e. Greenhouse Gas Emissions**

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<sup>10</sup> Consistent with the objectives of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes.

<sup>11</sup> Consistent with the objectives of the Stockholm Convention on Persistent Organic Pollutants and the Montreal Protocol on Substances that Deplete the Ozone Layer.

38. The borrower/client will promote the reduction of project-related anthropogenic greenhouse gas emissions in a manner appropriate to the nature and scale of project operations and impacts. During the development or operation of projects that are expected to or currently produce significant quantities of greenhouse gases,<sup>12</sup> the borrower/client will quantify direct emissions from the facilities within the physical project boundary and indirect emissions associated with the off-site production of power used by the project. The borrower/client will conduct quantification and monitoring of greenhouse gas emissions annually in accordance with internationally recognized methodologies.<sup>13</sup> In addition, the borrower/client will evaluate technically and financially feasible and cost-effective options to reduce or offset project-related greenhouse gas emissions during project design and operation, and pursue appropriate options.

## **10. Health and Safety**

### **a. Occupational Health and Safety**

39. The borrower/client will provide workers<sup>14</sup> with a safe and healthy working environment, taking into account risks inherent to the particular sector and specific classes of hazards in the borrower's/client's work areas, including physical, chemical, biological, and radiological hazards. The borrower/client will take steps to prevent accidents, injury, and disease arising from, associated with, or occurring during the course of work by (i) identifying and minimizing, so far as reasonably practicable, the causes of potential hazards to workers; (ii) providing preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances; (iii) providing appropriate equipment to minimize risks and requiring and enforcing its use; (iv) training workers and providing them with appropriate incentives to use and comply with health and safety procedures and protective equipment; (v) documenting and reporting occupational accidents, diseases, and incidents; and (vi) having emergency prevention, preparedness, and response arrangements in place.

40. The borrower/client will apply preventive and protective measures consistent with international good practice, as reflected in internationally recognized standards such as the World Bank Group's *Environment, Health and Safety Guidelines* (footnote 7).

### **b. Community Health and Safety**

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

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<sup>12</sup> Even though the significance of a project's contribution to greenhouse gas emissions varies between industry sectors, the significance threshold to be considered for these requirements is generally 100,000 tons of carbon dioxide equivalent per year for the aggregate emissions of direct sources and indirect sources associated with electricity purchased for own consumption.

<sup>13</sup> Estimation methodologies are provided by the Intergovernmental Panel on Climate Change (IPCC), various international organizations, and relevant host country agencies.

<sup>14</sup> Including nonemployee workers engaged by the borrower/client through contractors or other intermediaries to work on project sites or perform work directly related to the project's core functions.

minimize the exacerbation of impacts caused by natural hazards, such as landslides or floods that could result from land use changes due to project activities.

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

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

## **11. Physical Cultural Resources**

44. The borrower/client is responsible for siting and designing the project to avoid significant damage to physical cultural resources.<sup>15</sup> Such resources likely to be affected by the project will be identified, and qualified and experienced experts will assess the project's potential impacts on these resources using field-based surveys as an integral part of the environmental assessment process specified in paras 4–10.

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

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

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

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<sup>15</sup> Defined as movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance. Physical cultural resources may be located in urban or rural settings and may be above or below ground or under water. Their cultural interest may be at the local, provincial, national, or international level.

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

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

## ANNEX E-5: PROHIBITED INVESTMENT ACTIVITIES LIST OF THE DEVELOPMENT FINANCIAL INSTITUTIONS

The following investment activities do not qualify for financing from DFIs (see footnote below)<sup>1</sup>:

- (i) production or activities involving harmful or exploitative forms of forced labor<sup>2</sup> or child labor;<sup>3</sup>
- (ii) production of or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements or subject to international phaseouts or bans, such as (a) pharmaceuticals,<sup>4</sup> pesticides, and herbicides,<sup>5</sup> (b) ozone-depleting substances,<sup>6</sup> (c) polychlorinated biphenyls<sup>7</sup> and other hazardous chemicals,<sup>8</sup> (d) wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora,<sup>9</sup> and (e) transboundary trade in waste or waste products;<sup>10</sup>
- (iii) production of or trade in weapons and munitions, including paramilitary materials;
- (iv) production of or trade in alcoholic beverages, excluding beer and wine;<sup>11</sup>
- (v) production of or trade in tobacco;<sup>10</sup>
- (vi) gambling, casinos, and equivalent enterprises;<sup>10</sup>
- (vii) production of or trade in radioactive materials,<sup>12</sup> including nuclear reactors and components thereof;
- (viii) production of, trade in, or use of unbonded asbestos fibers;<sup>13</sup>
- (ix) commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests or old-growth forests; and
- (x) marine and coastal fishing practices, such as large-scale pelagic drift net fishing and fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats.

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<sup>1</sup> The prohibited investment activities listed here pertains to Asian Development Bank. Other DFIs may have their own list.

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

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

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

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

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

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

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

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

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

<sup>11</sup> This does not apply to investee companies who are not substantially involved in these activities. Not substantially involved means that the activity concerned is ancillary to a investee company's primary operations.

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

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



**ANNEX E-6: CHECKLISTS OF ENVIRONMENT SAFEGUARDS DOCUMENTS THAT SHOULD BE SUBMITTED BY LEAD BANKS/SUBBORROWERS (SPECIAL PURPOSE VEHICLES) TO IIFCL FOR LOAN APPLICATION**

**I. Key Approvals/Consents**

- (i) Letter of Application made, Status and Approval letter (attached with applicable conditions) from the Ministry of Environment and Forests (MOEF)/State Department of Environment for Environmental Clearance.
- (ii) Letter of Application made, Status and Approval letter (attached with applicable conditions) from the Ministry of Environment and Forests (MOEF)/State Department of Environment/State Coastal Regulation Zone Authority for Clearance on Coastal Regulation Zone (CRZ).
- (iii) Letter of Application made, Status and Approval letter (attached with applicable conditions) from the Ministry of Environment and Forests (MOEF)/State Department of Forests for Forest Clearance.
- (iv) Letter of Application made. Status and Approval letter (attached with applicable conditions) for Consent to Establish (CFE) and Consent to Operate from concerned State/UT Pollution Control Board(s).

**II. Key Documentation**

- (i) EIA report with Executive Summary, Environmental Management Plan, Disaster Management Plan, with statement of budgets that have been estimated and committed.
- (ii) Record of Public Hearing (actual conduct as well as written comments received) with a statement that summarizes suggestions incorporated in the Environmental Management Plan (EMP) as a result of public hearing.
- (iii) For projects already under implementation, Status on implementation of EMP, budget spent out of allocated, institutional arrangements for monitoring and review, records on environmental monitoring.
- (iv) Enviro-legal statement on the project that states whether the project is under any legal proceedings e.g. by State/Central Government or suffering from Public Interest Litigation (PIL).

**ANNEX E-7: SUMMARY OF KEY ENVIRONMENTAL AND SOCIAL LEGISLATIONS IN INDIA**

<b>NAME</b>	<b>SCOPE AND OBJECTIVE</b>	<b>OPERATIONAL AGENCIES/KEY PLAYERS</b>
1. Water (Prevention and Control of Pollution) Act, 1974, amended, 1988	To provide for the prevention and control of water pollution and enhancing the quality of water	Central and State Pollution Control Boards
2. Air (Prevention and Control of Pollution) Act, 1981, amended, 1987	To provide for prevention, control and abatement of air pollution	Central and State Pollution Control Boards
3. Indian Forest Act, 1927	To consolidate acquisition of common property such as forests	State Government, Forest Settlement Officers
4. Forest Conservation Act, 1980, amended, 1988	To halt India's rapid deforestation and resulting environmental degradation	Central Government
5. Wildlife Protection Act, 1972, amended, 1993	To protect wildlife	Wildlife Advisory Boards, Central Zoo Authorities
6. Environment (Protection) Act, 1986, amended, 1991	To provide for the protection and improvement of the environment under an umbrella legislation	Central Government, nodal agency MoEF, can delegate powers, State Departments of Environment
7. Land Acquisition Act, 1894, amended 1985	To set out rules for the acquisition of land by the Government	Ministry of Rural Development (Department of Land Resources)
8. National Rehabilitation and Resettlement Policy (NRRP), 2007	To provide guidelines and for planning and implementation for the R&R component of the project	Ministry of Rural Development (Department of Land Resources)
9. Various Panchayat Acts <sup>1</sup>	To provide for planning the development at district level and the roles and responsibilities of Panchayats for planning and implementing the project.	Directorate of Town Panchayats
10. Various Labour Laws in India	Labour law defines the rights and obligations as workers, union members and employers in the workplace	Central and State Governments

<sup>1</sup> For a State-wise Profile on Panchayats, refer to <http://www.iespanchayat.net.in/database-panchayat-profile.htm>

## **ANNEX E-8: ENVIRONMENTAL RULES AND NOTIFICATIONS RELEVANT TO INFRASTRUCTURE PROJECTS<sup>1</sup>**

1. The Central and State Governments have the authority to regulate any operation relevant to infrastructure projects that are not in keeping with the following rules.

2. **The Environment (Protection) Act, 1986, amended 1991.** This Act is an umbrella legislation providing a single focus in the country for the protection of environment and seeks to plug the loopholes of earlier legislation relating to environment. Several sets of Rules relating to various aspects of management of hazardous chemicals, wastes, micro-organisms etc. have been notified under this Act. Some important points of this Act are

- (i) The Central Government may also put restrictions on an area in which any industry, operation or process or class of industries or operations shall not be carried out. If they are to be carried out, they may be permitted with certain safeguards.
- (ii) Emissions and effluent standards with respect to 60-odd categories of industries have been evolved and notified so far
- (iii) The standards with respect to pollutants are to be achieved within a period of one year from the date of their notification, especially by those industries identified as highly polluting.
- (iv) However, if a particular State Pollution Control Board (SPCB) / Union Territory Pollution Control Committee (UTPCC)<sup>2</sup> may so desire, it may reduce the time limit and also specify more stringent standards with respect to a specified category of industries within their jurisdiction. The SPCB however cannot relax either the time limit or the standards.
- (v) Those industries that require consent under the Water Act, Air Act or both, or authorisation under the Hazardous Waste (Management and Handling) Rules, 1989, are required to submit an environmental audit report to the concerned SPCB/PCC on or before 30<sup>th</sup> September every year.

3. **The Water (Prevention and Control of Pollution) Act, 1974, amended 1988.** The main provisions of this Act aim at prevention and control of water pollution as well as restoration of water quality, through the establishment of SPCB. Some salient features of this Act

- (i) No persons shall knowingly cause or permit any poisonous, noxious or polluting matter determined in accordance with such standards as may be laid down by the SPCB to enter (whether directly or indirectly) into any stream or well or sewer or on land
- (ii) No person shall knowingly cause or permit to enter into any stream any other matter which may tend, either directly or in combination with similar matters, to impede the proper flow of the water of the stream in a manner leading or likely to lead to a substantial aggravation of pollution due to other causes or of its consequences
- (iii) No person shall, without the previous consent of the SPCB:
  - (a) Establish or take any steps to establish any industry, operation or process, or any treatment and disposal system or an extension or addition thereto which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land (such discharge being

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<sup>1</sup> Adapted from: (1) **Legislations on Environment, Forests, and Wildlife** [Updated on 27/11/2006] at <http://envfor.nic.in/legis/legis.html#K> (2) **Environmental Procedures: Guidelines and Clearances**. Available at [www.tidco.com/tn\\_policies/SIPB/enviro\\_clear.PDF](http://www.tidco.com/tn_policies/SIPB/enviro_clear.PDF)

<sup>2</sup> Hereafter referred to as "SPCB" only.

- hereafter in this section referred to as discharge of sewage) or
- (b) Bring into use any new or altered outlets for the discharge of sewage or
  - (c) Begin to make any new discharge of sewage

4. An investor intending to set up an industry is required to apply in the prescribed form to the SPCB concerned to obtain the consent to establish as well as the consent to operate the industry after establishment. While granting the consent, the SPCB also stipulates specific conditions relating to the temperature, volume, composition, rate and point of discharge of emissions, effluents etc. The consent to operate an industry is granted for a specific period after which the conditions stipulated at the time of granting consent are reviewed by the SPCB. Even before the expiry of the consent period, the SPCB is authorized to carry out random checks on any industry to check if the standards prescribed are being complied with by the industry; in case the standards are not being met, the SPCB is authorized to serve a notice to the concerned person.

5. The owner of a defaulting industry may be required to construct a sewage/effluent treatment system. In the event of non-compliance of the standards, the SPCB may issue directions for disconnecting electricity and water supply or any other services to the industry, in extreme cases even to close down the unit.

6. Stringent penalties are prescribed in this Act for those who operate their industry without the valid consent or in violation of consent conditions. Any person aggrieved by an order of the SPCB in the above context may appeal to the Appellate Authority constituted by the concerned State Government. As per the provisions under the Water Act and the Air Act, all State Governments, are required to constitute Appellate Authorities for addressing the appeals received against SPCB. While some State Governments have separate Appellate Authorities under the two Acts, a single Appellate Authority may also exist in other states.

7. **The Air (Prevention and Control of Pollution) Act, 1981, amended 1987.** The objective of the Air Act is to prevent, control and reduce air pollution including noise pollution and to establish Boards at the States/UTs for this. Under the provisions of this Act, no person shall establish or operate any industrial plant without the consent of the SPCB. For obtaining consent to establish an industry, the investor has to apply to the SPCB in the prescribed form accompanied by the prescribed fees. The Board is required to grant consent within 4 months of receipt of the application. The consent would contain conditions relating to specifications of pollution control equipment to be installed.

8. The other Provisions of the Act are similar to those of the Water Act, 1974.

9. **The Public Liability Insurance Act, 1991, amended in 1992.** This Act imposes on the owner the liability to provide immediate relief with respect to death or injury to any person or damage to any property resulting from an accident while handling any of the notified hazardous chemicals. This relief has to be provided on 'on fault' basis. To be able to meet this liability, the owner handling hazardous chemicals has to take an insurance policy of an amount equal to its 'paid up capital' or up to Rs.500 million, whichever is less. The policy has to be renewed every year. New undertakings will have to take this policy before starting their activity. For existing plants the policy was to be taken within one year of the Act coming into force i.e. up to 31st March, 1992. The owner also has to pay an amount equal to its annual premium to the Central Government's Environment Relief Fund (ERF). The reimbursement of relief to the extent of Rs25,000 per person is admissible in case of fatal accidents in addition to the reimbursement of medical expenses up to Rs12,500. The liability of the insurer is limited to Rs50 million per accident up to Rs150 million per year or up to the tenure of the policy. Any claims in excess of this liability will be paid from the ERF. In case the award still exceeds, the remaining amount shall have to be met by the owner. The

payment under the Act is only for the immediate relief; owners shall have to provide the final compensation, if any, arising out of legal proceedings.

10. **The Environmental Impact Assessment Notification, 2006 and further amendments in January 2009, December 2009, April 2011, January 2012.** This notification lays down specific project categories that require environmental clearance from the from the Central Government or as the case may be, by the State Level Environment Impact Assessment Authority, duly constituted by the Central Government, prior to establishing an industrial unit (see "Specified Requirements for Environmental Clearance as listed in the Environment Impact Assessment Notification, 2006, MoEF" in this document). It also addresses the composition of Screening, Scoping and Appraisal Committees, stages prior to environmental clearance, including public consultation and post-environmental clearance monitoring as well as transferability of environmental clearance.

11. Forest Conservation Act, 1980 amended in 1988 was enacted to help conserve the country's forests. It strictly restricts and regulates the de-reservation of forests or use of forest land for non-forest purposes without the prior approval of Central Government. To this end, the Act lays down the pre-requisites for the diversion of forest land for non-forest purposes.

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14. **Environment (Siting for Industrial Projects) Rules, 1999.** These are the various environmental guidelines mandated by the MoEF for siting of industries. Topics addressed include (i) prohibition for setting up of certain industries, (ii) establishment of new units with certain conditions, (iii) restrictions on the units in Taj Trapezium and (iv) establishment of new units around archaeological monuments.

15. **Notifications concerning Ecosensitive Zones.** The MoEF has prohibited and/or restricted specified industrial activities in certain areas of the country. These zones are also called ecosensitive zones and are listed below:

- (i) Matheran and surrounding region
- (ii) Mahabaleswar Panchgani region
- (iii) Pachmarhi region
- (iv) Taj Trapezium Zone
- (v) Dahanu Taluka, District Thane, Maharashtra
- (vi) Numaligarh, East of Kaziranga
- (vii) Aravalli Range
- (viii) Doon Valley (Uttar Pradesh)
- (ix) Murud-Janjira, Raigadh District, Maharashtra
- (x) Kalesar National Park, Yamunanagar district, Haryana
- (xi) Kalesar Wildlife Sanctuary, Yamunanagar district, Haryana
- (xii) Khol hi Raitan Wildlife Sanctuary, Panchkula District, Haryana
- (xiii) Bir Shikargarh Wildlife Sanctuary, Panchkula District, Haryana

- (xiv) Nahar Wildlife Sanctuary, Rewari District, Haryana
- (xv) Chhilchhila Wildlife Sanctuary, Kurukshetra District, Haryana
- (xvi) Abubsaher Wildlife Sanctuary, Sirsa District, Haryana
- (xvii) Bhindawas Wildlife Sanctuary, Jhajjar District, Haryana
- (xviii) Khaparwas Wildlife Sanctuary, Jhajjar District, Haryana
- (xix) Mount Abu, Sirohi District, Rajasthan
- (xx) Sultanpur National Park, Gurgaon District, Haryana

16. **Notifications concerning Coastal Regulation Zones, 2011.** The notifications aim at regulating activities in the CRZs. the Central Government, with a view to ensure livelihood security to the fisher communities and other local communities, living in the coastal areas, to conserve and protect coastal stretches, its unique environment and its marine area and to promote development through sustainable manner based on scientific principles taking into account the dangers of natural hazards in the coastal areas, sea level rise due to global warming, does hereby, declare the coastal stretches of the country and the water area upto its territorial water limit, excluding the islands of Andaman and Nicobar and Lakshadweep and the marine areas surrounding these islands upto its territorial limit, as Coastal Regulation Zone (hereinafter referred to as the CRZ) and restricts the setting up and expansion of any industry, operations or processes and manufacture or handling or storage or disposal of hazardous substances as specified in the Hazardous Substances (Handling, Management and Transboundary Movement) Rules, 2009 in the aforesaid CRZ.

17. **Noise Pollution (Control and Regulation) Rules, 2000, latest amended 2010.** As per these rules, the noise levels in any area/zone shall not exceed the ambient air quality standards with respect to noise as specified in the Schedule.

18. **The Environmental Audit Notification, 1992.** This notification directs that an environmental audit report be submitted yearly to the Pollution Control Board in cases where consent is required under the Water/Air Act or authorisation under the Hazardous Wastes (Management and Handling) rules. The notification requires that an Environmental Statement for the financial year ending the 31st March be submitted to the concerned State Pollution Control Board, on or before the 30th September of the same year.

19. **Manufacture, Use, Import, Export and Storage of Hazardous Micro-Organisms and Genetically Engineered Organism or Cell Rules, 1989, latest amended 2007.** The Department of Bio-Technology under the Ministry of Science and Technology is the nodal agency for granting licences for manufacture, import and export of micro-organisms and genetically engineered organisms. However, such licences are issued only after the proposal is cleared from the environmental angle by the Ministry of Environment and Forests. For according such clearances, the Ministry has notified the 'Rules for the Manufacture, Use, Import, Export and Storage of Hazardous Micro-organisms and Genetically Engineered Organisms or Cells' in 1989 under the EPA, 1986.

20. The investor is required to submit an application in the prescribed proforma to the Ministry of Environment and Forests. The Genetic Engineering Approval Committee (GEAC) constituted by the MoEF examines the application form and makes recommendations.

21. All industries involving hazardous micro-organisms or genetically engineered organisms, are required to constitute an Institutional Bio-Safety Committee (IBSC) to oversee the planning and execution of various operations in a safe manner and to prepare an on-site emergency plan to deal with any accident which may occur due to a hazardous micro-organism.

22. These rules will apply to infrastructure projects such as those requiring

bioremediation of contaminated sites.

**23. The Hazardous Wastes (Management , Handling and Transboundary Movement) Rules, 2008 Notification, amended 2009.** These rules lay down the responsibility of the 'occupier' of the infrastructure project for the handling of wastes. The occupier shall take all practical steps to ensure that such wastes are properly handled and disposed of without any adverse effects which may result from such wastes. The occupier shall also be responsible for proper collection, reception, treatment, storage and disposal of these wastes either himself or through the operator of a facility. The rules also specify criteria for the grant of authorizations for the handling of hazardous wastes, rules to be followed during the packaging, labelling and transport of hazardous wastes, inventory of disposal sites, generation and maintenance of records, accident reporting and follow-up.

**24. The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989, amended 2000.** These rules apply to an industrial activity in which a hazardous chemical, which satisfies any of the criteria laid down in the rules, and/or isolated storage in which there is involved a threshold quantity of a hazardous chemical are involved. The occupier (who has control of an industrial activity) has to provide evidence to show that he has identified the major accident hazards and taken adequate steps to prevent such major accidents and limit their consequences to persons and the environment and provide the persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. These rules also lay down the criteria for the notification of major accidents, notification of sites and the updating the site notification following changes in the threshold quantity, safety reports, and preparation of on-site and off-site emergency plans by the occupier, as well as information disclosure.

**25. The Biomedical Waste (Management and Handling) Rules, 1998, amended 2003.** These rules apply to all projects which generate, collect, receive, store, transport, treat, dispose, or handle bio medical waste in any form. They deal with the various categories of biomedical waste, segregation, packaging, transportation, storage and disposal of such waste.

**26. Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996.** These rules concern chemical accidents - any accident involving a sudden or unintended occurrence while handling any hazardous chemicals resulting in continuous, intermittent or repeated exposure to death, or injury to, any person or damage to any property. Schedules 2 and 3 of the Rules list the threshold quantities and names of the various chemicals to which they are applicable.

**27. The Batteries (Management and Handling) Rules, 2001, amended 2010.** These rules shall apply to every manufacturer, importer, re-conditioner, assembler, dealer, recycler, auctioneer, consumer and bulk consumer involved in manufacture, processing, sale, purchase and use of lead acid batteries or components thereof. The rules delineate the responsibility of the consumer, (the category under which infrastructure project sites using plants, equipment and vehicles would fall) namely that they must ensure that used batteries are not disposed of in any manner other than depositing with a dealer, manufacturer, importer, assembler, registered recycler, reconditioner or at designated collection centres.

## ANNEX E-9: ENVIRONMENTAL REGULATIONS AND OBLIGATIONS AND AREAS OF APPLICABILITY AT PROJECT SITES

E&S Regulation	Areas of Applicability at Project Sites	Obligations
The Water (Prevention and Control of Pollution) Act, 1974, amended 1988	Wastewater effluent from camp and construction activities	As per Rule/Clause 20(3), provide PCB information sought by it for preventing or controlling pollution of water regarding the construction, installation, operation or the treatment and disposal systems of the factory (site)
The Water (Prevention and Control of Pollution) Rules, 1975		<p>As per Rule/Clause 21(1), provide access to the PCB or any officer empowered by it for taking samples of water or effluents from the factory for analysis</p> <p>As per Rule/Clause 23 (1) (C), allow entry to the PCB or any person empowered by it, at any time, for the purpose of performing any of the entrusted functions, or for inspecting to ascertain the provisions of the Act are being complied with, or for seizing any plant records, registers, documents or any material object, in case there are reasons to believe that provisions of the Act are being contravened</p> <p>As per Rule/Clause 24 (1), do not knowingly discharge any effluent into the stream, sewer or on land, of quality which is not conforming to the standards prescribed by the PCB</p> <p>As per Rule/Clause 31(1), furnish information to the PCB and other designated agencies, of any accidental or unforeseen event, in which effluents not conforming to the prescribed standards are being discharged, or likely to be discharged into a stream or sewer or on land</p> <p>As per Rule/Clause 33(A), comply with the directions issued in writing by the PCB, within the specified time, as mentioned in the order. The directions may include, i) the closure, prohibition or regulation of any industry, operation or process, or ii) the stoppage or regulation of supply of electricity, water or any other service, and (iii) comply with the conditions as prescribed in the "Consent to Establish" or "Consent to Operate" for discharge of effluents into a stream or sewer or on land</p> <p>As per Rule/Clause 25(1), obtain "Consent to establish" prior to taking any steps to establish any industry, operation or process or any treatment and disposal system which is likely to discharge effluents</p>



E&S Regulation	Areas of Applicability at Project Sites	Obligations	
		As per Rule/Clause 26, (i) obtain "Consent to operate" prior to commencing operations of any industry, or any treatment and disposal system which is likely to discharge effluents (ii) apply for renewal of the consent to operate before the expiry of validity period, as specified in the consent granted earlier, in the prescribed form and along with the prescribed fees	
The Water (Prevention and Control of Pollution) Cess Act, 1977, amended 1992 and The Water (Prevention and Control of Pollution) Cess Amendment Act, 2003	Consumption of water for camp and construction activities	<p>As per Section 3(2), 5(1) and Rules 3 &amp; 4, pay water cess, as prescribed within the specified time as indicated in the assessment order, if the industry is included in the specified schedule under the Act</p> <p>As per Section 4(1) and Rule 7, affix meters of the prescribed standards for water consumption measurements at places specified by the PCB</p> <p>As per Section 9(a) and Rule 7, provide access to PCB, at all reasonable times, for implementing the provisions of the Act, including testing of the meters for their accuracy</p> <p>As per Section 10 and Rule 8, pay interest at the prescribed rates, in case of delay in paying water cess</p> <p>As per Section 11 and Rule 8, pay penalty for non-payment of cess, within the specified time, not exceeding the amount of cess, in arrears, after being given a reasonable opportunity of hearing</p> <p>As per Section 3(2), 5(1) and Rule 4, (i) submit the "Water Cess Return" in the prescribed form at specified intervals, to the PCB (ii) submit analytical report of the treated waste sample/s for the assessment month along with the form of Cess return and claim the rebate of 25%</p>	
The Water (Prevention and Control of Pollution) Cess Rules, 1978		Plants and equipment releasing emissions	<p>Comply with the conditions as prescribed in the "Consent to Establish" or "Consent to Operate" for emissions</p> <p>As per Rule/Clause 21(1), obtain "Consent to establish" prior to taking any steps to establish any industrial plant in an air pollution control area, which is likely to emit air pollutant(s)</p> <p>As per Rule/Clause 21(1), obtain "Consent to operate" prior to commencing operations of any industrial plant which is likely to emit air pollutant(s) in an air pollution control area</p>
The Air (Prevention and Control of Pollution) Act, 1981, amended 1987			
The Air (Prevention and Control of Pollution) Rules, 1982			
The Air (Prevention and			

<b>E&amp;S Regulation</b>	<b>Areas of Applicability at Project Sites</b>	<b>Obligations</b>
Control of Pollution) (Union Territories) Rules, 1983		<p>As per Rule/Clause 21(2), apply for renewal of the consent to operate before the expiry of validity period, as specified in the consent granted earlier, in the prescribed form and along with the prescribed fees</p> <p>As per Rule/Clause 21(5), comply with the conditions under this clause</p> <p>As per Rule/Clause 22, no person operating any industrial plant, in any air pollution control area shall discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Board under clause (g) of sub-section (1) of section 17</p> <p>As per Rule/Clause 23(1), furnish information to the PCB and other designated agencies, of any accidental or unforeseen act or event in which emissions of air pollutant(s) occurred in excess of the prescribed standards or are likely to occur</p> <p>As per Rule/Clause 24(2), provide all facilities required by the PCB official for the purpose of sampling</p> <p>As per Rule/Clause 25, (i) allow entry to the PCB or any official empowered by it to the industrial established, at all reasonable times, for the purposes of carrying out any of the entrusted functions or for inspecting to ascertain that provisions of the Act are being complied with or for seizing any equipment, plant, records, registers, documents or any other material object if there are reasons to believe that provisions of the act are being contravened (ii) do not discharge air pollutant (s) in excess of the standards prescribed standards by the PCB (iii) provide the PCB any information to enable it to implement the provisions of the Act</p>
The Environment (Protection) Act, 1986, amended 1991	Activities involving raw material consumption, pollution discharge, and hazardous waste and solid waste	As per Section 7, Rule 3, prevent discharges or emissions of environmental pollutants in excess of the prescribed standards
The Environment (Protection) Rules, 1986, various amendments		As per Rule/Clause 8, handle hazardous substances in accordance with the procedures and safeguards as prescribed by the respective authorities

E&S Regulation	Areas of Applicability at Project Sites	Obligations
	generation	<p>As per Rule/Clause 9, furnish information to the prescribed agencies of any accidental or unforeseen event in which environmental pollutant(s) not conforming to the prescribed standards are being discharged, or are likely to be discharged, into the environment</p> <p>As per Rule/Clause 10, allow entry and inspection by any person empowered by the Central Government into the industrial establishment at all reasonable times, for the purpose of performing any of the functions entrusted, or to ascertain compliance with the provisions of the Act or for seizing of any equipment, plant registers, records or documents in case there are reasons to believe that any provision of the Act is being contravened</p> <p>As per Rule/Clause 10(2),11, allow Central Government or any official empowered by it, to take samples of air, water, soil or any other substance from the industry for analysis</p> <p>As per Rule/Clause 12, furnish of information to authorities and agencies in certain cases</p> <p>As per Rule/Clause 14, (i) submit an " Environmental Statement" every year, before 30th September, to the PCB, in case consent is required under the Water/Air Act or authorisation under the Hazardous Wastes (Management and Handling) rules or both (ii) obtain prior "Environmental Clearance from MoEF, in case of a new project or for modernisation/expansion of the existing project, if it falls under the specified schedule, subject to certain conditions</p>
The Environmental Audit Notification, 1992		
The Environmental Standards Notification, 1993		
Manufacture, Use, Import, Export and Storage of Hazardous Micro-Organisms and Genetically Engineered Organism or Cell Rules, 1989,latest amended	Activities involving on-site bioremediation	

E&S Regulation	Areas of Applicability at Project Sites	Obligations
2007		
The Public Liability Insurance Act, 1991, amended 1992	Accidents on-site	As per Rule/Clause 3(1), to provide relief, as specified, in case of death, or injury to any person (other than workman), or damage to property from an accident occurring while handling specified hazardous substances, on the principle of no fault
The Public Liability Insurance Rules, 1991, amended 1993		<p>As per Rule/Clause 4(2/2A), to draw insurance policies more than the paid-up capital of the undertaking, but less than Rs. 50 crores, before handling any hazardous substances</p> <p>As per Rule/Clause 4(2C), pay additional amounts, as prescribed, to the insurer not exceeding the amount of premium, as contribution to the Environmental Relief Fund to be established under the Act</p> <p>As per Rule/Clause 9, provide any information required by the Central Government or agencies authorised by it, for ascertaining compliance with the provisions of the Act</p> <p>As per Rule/Clause 10, allow entry and inspection of any person empowered by the Central Government to the place where the industrial activity involving hazardous chemicals is being carried out at all reasonable times, to ascertain compliance with the provisions of the Act</p> <p>As per Rule/Clause 7, pay the amount of an award as specified by the collector in the prescribed manner</p> <p>As per Rule/Clause 7 (3) (C), within such period, deposit such amount in such manner as the Collector may direct</p> <p>As per Rule/Clause 7 (6), The owner against whom the award is made under sub-section (1) fails to deposit the amount of such award within the period specified under sub-section (3), such amount shall be recoverable from the owner, or as the case may be, the insurer as arrears of land revenue or of public demand</p> <p>As per Rule/Clause (12), comply with the directions issued in writing by the Central Government, within the specified time, as mentioned in the order. The directions may include</p>

E&S Regulation	Areas of Applicability at Project Sites	Obligations
		a) Prohibition or regulation of handling of any hazardous substances, or b) Stoppage or regulation of the supply of electricity, water or any other service
Gas Cylinder Rules, 1981, amended 2004		
The National Environmental Tribunal Act, 1995		
The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989, amended 2000	Handling of hazardous chemicals in construction activities	<p>As per Rule/Clause 4(2), identify major accident hazards related with industrial activity involving hazardous chemicals, provide relevant information to persons liable to be affected by a major accident, develop information in the form of a safety data sheet, label the specified information on every container of hazardous chemical and follow specified procedures for importing hazardous chemicals</p> <p>As per Rule/Clause 5, Occupier to furnish information required to notify the concerned authorities of a major accident</p> <p>As per Rule/Clause 7(1), furnish information regarding "Notification of sites" for industrial activity involving hazardous chemicals to the concerned authority in the prescribed form at least 3 months before commencing activity</p> <p>As per Rule/Clause 10(1), submit "Safety Report" containing the prescribed information to the concerned authority at least 3 months before making any modifications in compliance to Schedule 8 of the Rules</p> <p>As per Rule/Clause 11(1), send further information within the specified time, as mentioned in the notice, if so desired, by the concerned authority relating to the "Safety Report"</p> <p>As per Rule/Clause 13, prepare up-to-date on-site emergency plans, before commencing an industrial activity involving hazardous chemicals</p> <p>As per Rule/Clause 18(2), provide information on the intention of import of the hazardous chemical to the respective authorities under Schedule 5 of the Rules</p>

E&S Regulation	Areas of Applicability at Project Sites	Obligations
		<p>As per Rule/Clause 18(5), maintain records of imports of hazardous chemicals in the prescribed form (Schedule 10)</p> <p>As per Rule/Clause 18(6), carry out an independent safety audit with the help of an expert, not associated with such industrial activities &amp; forward a copy with his comments within 30 days to that authority</p> <p>As per Rules 10 to 12, (a) carry out an independent safety audit with the help of an expert, not associated with such industrial activities &amp; forward a copy with his comments within 30 days to that authority (b) update safety audit report once a year by conducting a fresh safety audit (c) conduct mockdrills once in six months and communicate compliance to the respective authorities provided in Schedule 5 of the Rules (d) assist the District Collector in the preparation of off-site emergency plans as per serial number 9 of this Schedule 5</p>
<p>The Hazardous Wastes (Management , Handling and Transboundary Movement) Rules, 2008 Notification, amended 2009</p>		<p>As per Rule/Clause 4(1), ensure proper collection, reception, treatment, storage and disposal of hazardous wastes by the owner himself or through an operator of the facility for specified hazardous wastes</p> <p>As per Rule/Clause 4A, take adequate steps while handling hazardous waste to contain contaminants and prevent accidents and limit their consequences on human and the environment and provide persons working on the site with information, training and equipment necessary to ensure their safety</p> <p>As per Rule/Clause 5, comply with the conditions specified in the authorisation granted for handling of hazardous wastes</p> <p>As per Rule/Clause 5(2), obtain "grant of authorisation" for handling hazardous wastes from PCB after payment of fees Rs. 2500/-</p> <p>As per Rule/Clause 5(6)(ii), apply for renewal of authorisation before expiry of the validity period as specified in the authorisation granted in the prescribed form</p> <p>As per Rule/Clause 5(8) (i) and 9 (2), submit annual returns by the Occupier in Form 4</p>

E&S Regulation	Areas of Applicability at Project Sites	Obligations
		<p>As per Rule/Clause 5(8) (ii), submit documentary evidence on steps taken, wherever feasible, for reduction in volume/ concentration of hazardous waste generated or recycled or reused</p> <p>As per Rule/Clause 5(8) (iii), fulfill conditions prescribed in the authorization regarding management in an Environmentally Sound Manner (ESM) of Wastes</p> <p>As per Rule/Clause 7(2), ensure packaging, labelling and transportation of hazardous wastes in accordance with the provisions of Motor Vehicles Act, 1988</p> <p>As per Rule/Clause 7(3), all hazardous waste containers should be provided with a general label as given in Form 8"</p> <p>As per Rule/Clause 7(5), provide the transporter with six copies of the manifest as per the 7 colour codes of the manifest system</p> <p>As per Rule/Clause 7(6), obtain NOC from SPCBs of the respective states involved in case of any inter and intra state transport of hazardous wastes</p> <p>As per Rule/Clause 7(7), provide the transporter with relevant information in Form 10 regarding hazardous nature of the wastes and measures to be taken in case of an emergency</p> <p>As per Rule/Clause 9(1), maintain records of operations generating hazardous waste in Form 3</p> <p>As per Rule/Clause 10, report to the PCB any accident at site, or during transportation, while handling hazardous wastes in the prescribed form</p> <p>As per Rule/Clause 16, the occupier, transporter and operator of a facility shall be (i) liable for damages caused to the environment resulting due to improper handling and disposal of hazardous waste listed in schedule 1, 2 and 3 (2) shall be liable to reinstate or restore damaged or destroyed elements of the environment (iii) shall be liable to pay a fine as levied by the SPCB with the approval of the CPCB for any violation of the provisions under these rules</p>

<b>E&amp;S Regulation</b>	<b>Areas of Applicability at Project Sites</b>	<b>Obligations</b>
Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996		
The Biomedical Waste (Management and Handling) Rules, 1998, amended 2003	On-site / construction camp clinics and first-aid centres	As per Rule/Clause (4), ensure that biomedical waste is handled without any adverse effect to human health and the environment  As per Rule/Clause 5(1), dispose of biomedical waste in accordance with Schedule I and Schedule V
Noise Pollution (Control and Regulation) Rules, 2000, latest amended 2010	Plants, equipment and vehicles	(a) As per Rules/Clause 4(1), ensure that noise levels do not exceed those specified in Schedule (b) follow the conditions stipulated in the letter of Consent by the SPCB (c) Monitor limits for day-time and night-time noise [day-time: 75 dB(A) Leq and night-time: 70 75 dB(A) Leq]
The Batteries (Management and Handling) Rules, 2001, amended 2010		As per Rules/Clause 10(1), the user must ensure that used batteries are not disposed off in any manner other than depositing with the dealer, manufacturer, importer, assembler, registered recycler, reconditioner or at designated collection centres
Motor Vehicle Act, 1988, various amendments	Light and heavy motor vehicles	This Act should takes into account changes in the road transport technology, pattern of passenger and freight movements, developments, of the road network in the country and particularly the improved techniques in the motor vehicles management.



**ANNEX E-10: PROHIBITED ACTIVITIES IN CRZ  
(COASTAL REGULATION ZONE NOTIFICATION, 2011)**

- (i) Setting up of new industries and expansion of existing industries except,
  - (a) those directly related to waterfront or directly needing foreshore facilities;  
*Explanation:* The expression “foreshore facilities” means those activities permissible under this notification and they require waterfront for their operations such as ports and harbours, jetties, quays, wharves, erosion control measures, breakwaters, pipelines, lighthouses, navigational safety facilities, coastal police stations and the like.;
  - (b) projects of Department of Atomic Energy;
  - (c) facilities for generating power by non-conventional energy sources and setting up of desalination plants in the areas not classified as CRZ-I(i) based on an impact assessment study including social impacts;
  - (d) development of green field Airport already permitted only at Navi Mumbai; and
  - (e) reconstruction, repair works of dwelling units of local communities including fishers in accordance with local town and country planning regulations.
  
- (ii) Manufacture or handling oil storage or disposal of hazardous substance as specified in the notification of Ministry of Environment and Forests, No. S.O.594 (E), dated the 28th July 1989, S.O.No.966(E), dated the 27th November, 1989 and GSR 1037 (E), dated the 5<sup>th</sup> December, 1989 except,
  - (a) transfer of hazardous substances from ships to ports, terminals and refineries and vice versa; and
  - (b) facilities for receipt and storage of petroleum products and liquefied natural gas as specified in Annexure-II appended to this notification and facilities for regasification of Liquefied Natural Gas (hereinafter referred to as the LNG) in the areas not classified as CRZ- I(i) subject to implementation of safety regulations including guidelines issued by the Oil Industry Safety Directorate in the Ministry of Petroleum and Natural Gas and guidelines issued by MoEF and subject to further terms and conditions for implementation of ameliorative and restorative measures in relation to environment as may be stipulated by in MoEF. Provided that facilities for receipt and storage of fertilizers and raw materials required for manufacture of fertilizers like ammonia, phosphoric acid, sulphur, sulphuric acid, nitric acid and the like, shall be permitted within the said zone in the areas not classified as CRZ-I(i).
  
- (iii) Setting up and expansion of fish processing units including warehousing except hatchery and natural fish drying in permitted areas:
  
- (iv) Land reclamation, bunding or disturbing the natural course of seawater except those,
  - (a) required for setting up, construction or modernisation or expansion of foreshore facilities like ports, harbours, jetties, wharves, quays, slipways, bridges, sealink, road on stilts, and such as meant for defence and security purpose and for other facilities that are essential for activities permissible under the notification;
  - (b) measures for control of erosion, based on scientific including Environmental Impact Assessment (hereinafter referred to as the EIA) studies;
  - (c) maintenance or clearing of waterways, channels and ports, based on EIA studies; and

- (d) measures to prevent sand bars, installation of tidal regulators, laying of storm water drains or for structures for prevention of salinity ingress and freshwater recharge based on carried out by any agency to be specified by MoEF.
- (v) Setting up and expansion of units or mechanism for disposal of wastes and effluents except facilities required for,
  - (a) discharging treated effluents into the water course with approval under the Water (Prevention and Control of Pollution) Act, 1974 (6 of 1974);
  - (b) storm water drains and ancillary structures for pumping; and
  - (c) treatment of waste and effluents arising from hotels, beach resorts and human settlements located in CRZ areas other than CRZ-I and disposal of treated wastes and effluents
- (vi) Discharge of untreated waste and effluents from industries, cities or towns and other human settlements. The concerned authorities shall implement schemes for phasing out existing discharge of this nature, if any, within a time period not exceeding 2 years from the date of issue of this notification.
- (vii) Dumping of city or town wastes including construction debris, industrial solid wastes, fly ash for the purpose of land filling and the like and the concerned authority shall implement schemes for phasing out any existing practice, if any, shall be phased out within a period of one year from date of commencement of this notification.

Note: The MoEF will issue a separate instruction to the State Governments and Union territory Administration in respect of preparation of Action Plans and their implementation as also monitoring including the time schedule thereof, in respect of paras (v), (vi) and (vii).

- (viii) Port and harbour projects in high eroding stretches of the coast, except those projects classified as strategic and defence related in terms of EIA notification, 2006 identified by MoEF based on scientific studies and in consultation with the State Government or the Union territory Administration.
- (ix) Reclamation for commercial purposes such as shopping and housing complexes, hotels and entertainment activities.
- (x) Mining of sand, rocks and other sub-strata materials except,
  - (a) those rare minerals not available outside the CRZ area, and
  - (b) exploration and exploitation of oil and natural gas.
- (xi) Drawl of groundwater and construction related thereto, within 200mts of HTL; except the following:
  - (a) in the areas which are inhabited by the local communities and only for their use, and
  - (b) in the area between 200mts-500mts zone t h e d r awl o f g roundwater shall be permitted only when done manually through ordinary wells for drinking, horticulture, agriculture and fisheries and where no other source of water is available.

Note: Restrictions for such drawl may be imposed by the Authority designated by the State Government and Union territory Administration in the areas affected by sea water intrusion.

- (xi) Construction activities in CRZ-I except those specified in para 8 of this notification.

- (xiii) Dressing or altering the sand dunes, hills, natural features including landscape changes for beautification, recreation and other such purpose.
- (xiv) Facilities required for patrolling and vigilance activities of marine/coastal police stations.

## ANNEX E-11: ENVIRONMENTAL IMPACT ASSESSMENT/SOCIAL IMPACT ASSESSMENT REVIEW CHECKLIST

1. The checklist is organized in seven sections:
  - (i) Description of the project
  - (ii) Alternatives
  - (iii) Description of the environment likely to be affected by the project
  - (iv) Description of the likely significant effects of the project
  - (v) Description of mitigating measures
  - (vi) Non-technical summary
  - (vii) Quality of presentation
  
2. Within each section there are numbered review questions. For some questions notes are provided to assist the reviewer.

No.	Review Question	Relevant?	Adequately addressed?	Any further information needed?
<b>SECTION 1: DESCRIPTION OF THE PROJECT</b>				
<b>Objectives and physical characteristics of the project</b>				
1.1	Are the need for and objectives of the project explained?			
1.2	Is the programme for implementation of the project described, detailing the estimated length of time and start and finish dates for construction, operation and decommissioning? <i>(this should include any phases of different activity within the main phases of the project, for example extraction phases for mining operations)</i>			
1.3	Are all the main components of the project described <i>(see the Checklist of project Activities in Procedure for Scoping)</i>			
1.4	Is the location of each project component identified, using maps, plans and diagrams as necessary?			
1.5	Is the layout of the site (or sites) occupied by the project described? <i>(including ground levels, buildings, other physical structures, underground works, coastal works, storage facilities, water features, planting, access corridors, boundaries)</i>			
1.6	For linear projects, are the route corridor, the vertical and horizontal alignment and any tunneling and earthworks described?			
1.7	Are the activities involved in construction of the project all described?			
1.8	Are the activities involved in operation of the project all described?			

<b>No.</b>	<b>Review Question</b>	<b>Relevant?</b>	<b>Adequately addressed?</b>	<b>Any further information needed?</b>
1.9	Are the activities involved in decommissioning the project all described? <i>(e.g. closure, dismantling, demolition, clearance, site restoration, site re-use etc.)</i>			
1.10	Are any additional services required for the project all described? <i>(e.g. transport access, water, sewerage, waste disposal, electricity, telecoms)</i> or developments <i>(e.g. roads, harbours, powerlines, pipelines)</i>			
1.11	Are any developments likely to occur as a consequence of the project identified? <i>(e.g. new housing, roads, water or sewerage infrastructure, aggregate extraction)</i>			
1.12	Are any existing activities which will alter or cease as a consequence of the project identified?			
1.13	Are any other existing or planned developments with which the project could have cumulative effects identified?			
<b>Size of the project</b>				
1.14	Is the area of land occupied by each of the permanent project components quantified and shown on a scaled map? <i>(including any associated access arrangements, landscaping and ancillary facilities)</i>			
1.15	Is the area of land required temporarily for construction quantified and mapped?			
1.16	Is the reinstatement and after use of land occupied temporarily for operation of the project described? <i>(e.g. land used for mining or quarrying)</i>			
1.17	Is the size of any structures or other works developed as part of the project identified? <i>(e.g. the floor area and height of buildings, the size of excavations, the area or height of planting, the height of structures such as embankments, bridges of chimneys, the flow or depth of water)</i>			
1.18	Is the form and appearance of any structures or other works developed as part of the project described? <i>(e.g. the type, finish and colour of materials, architectural design of buildings and structures, plant species, ground surfaces, etc.)</i>			
1.19	For urban or similar development projects, are the numbers and other characteristics of new populations or business communities described?			
1.20	For projects involving the displacement of			

No.	Review Question	Relevant?	Adequately addressed?	Any further information needed?
	people or businesses, are the numbers and other characteristics of those displaced described?			
1.21	For new transport infrastructure or projects generating substantial traffic flows, is the type, volume, temporal pattern and geographical distribution of new traffic generated or diverted as a consequence of the project described?			
<b>Production processes and resources used</b>				
1.22	Are all the processes involved in operating the project described? ( <i>e.g. manufacturing or engineering processes, primary raw material production, agricultural or forestry production methods, extraction processes</i> )			
1.23	Are the types and quantities of outputs produced by the project described? ( <i>these could be primary or manufactured products, goods such as power or water or services such as homes, transport, retailing, recreation, education, municipal services (water, waste, etc.)</i> )			
1.24	Are the types and quantities of raw materials and energy needed for construction and operation discussed?			
1.25	Are the E&S implications of the sourcing of raw materials discussed?			
1.26	Is efficiency in use of energy and raw materials discussed?			
1.27	Are any hazardous materials used, stored, handled or produced by the project identified and quantified? · During construction · During operation · During decommissioning			
1.28	Are the transport of raw materials to the project and the number of traffic movements involved discussed? ( <i>including road, rail and sea transport</i> ) · During construction · During operation · During decommissioning			
1.29	Is employment created or lost as a result of the project discussed? · During construction · During operation · During decommissioning			
1.30	Are the access arrangements and the			

No.	Review Question	Relevant?	Adequately addressed?	Any further information needed?
	number of traffic movements involved in bringing workers and visitors to the project estimated? · During construction · During operation · During decommissioning			
1.31	Is the housing and provision of services for any temporary or permanent employees for the project discussed? <i>(relevant for projects requiring migration of a substantial new workforce into the area for either construction or the long term)</i>			
<b>Residues and emissions</b>				
1.32	Are the types and quantities of solid waste generated by the project identified? <i>(including construction or demolition wastes, surplus spoil, process wastes, by-products, surplus or reject products, hazardous wastes, household or commercial wastes, agricultural or forestry wastes, site clean-up wastes, mining wastes, decommissioning wastes)</i> · During construction · During operation · During decommissioning			
1.33	Are the composition and toxicity or other hazards of all solid wastes produced by the project discussed?			
1.34	Are the methods for collecting, storing, treating, transporting and finally disposing of these solid wastes described?			
1.35	Are the locations for final disposal of all solid wastes discussed?			
1.36	Are the types and quantities of liquid effluents generated by the project identified? <i>(including site drainage and run-off, process wastes, cooling water, treated effluents, sewage)</i> · During construction · During operation · During decommissioning			
1.37	Are the composition and toxicity or other hazards of all liquid effluents produced by the project discussed?			
1.38	Are the methods for collecting, storing, treating, transporting and finally disposing of these liquid effluents described?			
1.39	Are the locations for final disposal of all			

No.	Review Question	Relevant?	Adequately addressed?	Any further information needed?
	liquid effluents discussed?			
1.40	<p>Are the types and quantities of gaseous and particulate emissions generated by the project identified? (<i>including process emissions, fugitive emissions, emissions from combustion of fossil fuels in stationary and mobile plant, emissions from traffic, dust from materials handling, odours</i>)</p> <ul style="list-style-type: none"> <li>· During construction</li> <li>· During operation</li> <li>· During decommissioning</li> </ul>			
1.41	Are the composition and toxicity or other hazards of all emissions to air produce by the project discussed?			
1.42	Are the methods for collecting, treating and finally discharging these emissions to air described?			
1.43	Are the locations for discharge of all emissions to air identified and the characteristics of the discharges identified? ( <i>e.g. height of stack, velocity and temperature of release</i> )			
1.44	Is the potential for resource recovery from wastes and residues discussed? ( <i>including re-use, recycling or energy recovery from solid waste and liquid effluents</i> )			
1.45	Are any sources of noise, heat, light or electromagnetic radiation from the project identified and quantified? ( <i>including equipment, processes, construction works, traffic, lighting, etc.</i> )			
1.46	Are the methods for estimating the quantities and composition of all residues and emissions identified and any difficulties discussed?			
1.47	Is the uncertainty attached to estimates of residues and emissions discussed?			
<b>Risks of accidents and hazards</b>				
1.48	<p>Are any risks associated with the project discussed?</p> <ul style="list-style-type: none"> <li>· Risks from handling of hazardous materials</li> <li>· Risks from spills fire, explosion</li> <li>· Risks of traffic accidents</li> <li>· Risks from breakdown or failure of processes or facilities</li> <li>· Risks from exposure of the project to natural disasters (earthquake, flood,</li> </ul>			



No.	Review Question	Relevant?	Adequately addressed?	Any further information needed?
	landslip, etc.)			
1.49	Are measures to prevent and respond to accidents and abnormal events described? <i>(preventive measures, training, contingency plans, emergency plans, etc.)</i>			
<b>Any other questions on project description</b>				
<b>SECTION 2: CONSIDERATION OF ALTERNATIVES</b>				
2.1	Is the process by which the project was developed described and are alternatives considered during this process described? <i>(See guidance on types of alternatives which may be relevant in Procedure for Scoping)</i>			
2.2	Is the baseline situation in the 'No project' situation described?			
2.3	Are the alternatives realistic and genuine alternatives to the project?			
2.4	Are the main reasons for choice of the proposed project explained, including any E&S reasons for the choice?			
2.5	Are the main E&S effects of the alternatives compared with those of the proposed project?			
<b>Any other questions on consideration of alternatives</b>				
<b>SECTION 3: DESCRIPTION OF ENVIRONMENT AND PEOPLE LIKELY TO BE AFFECTED BY THE PROJECT</b>				
<b>Aspects of the environment</b>				
3.1	Are the existing land uses of the land to be occupied by the project and the surrounding area described and are any people living on or using the land identified? <i>(including residential, commercial, industrial, agricultural, recreational and amenity land uses and any buildings, structures or other property)</i>			
3.2	Are the topography, geology and soils of the land to be occupied by the project and the surrounding area described?			
3.3	Are any significant features of the topography or geology of the area			

No.	Review Question	Relevant?	Adequately addressed?	Any further information needed?
	described and are the conditions and use of soils described? <i>(including soil quality stability and erosion, agricultural use and agricultural land quality)</i>			
3.4	Are the fauna and flora and habitats of the land to be occupied by the project and the surrounding area described and illustrated on appropriate maps?			
3.5	Are species populations and characteristics of habitats that may be affected by the project described and are any designated or protected species or areas defined?			
3.6	Is the water environment of the area described? <i>(including running and static surface waters, groundwater, estuaries, coastal waters and the sea and including run off and drainage. Not relevant if water environment will not be affected by the project)</i>			
3.7	Are the hydrology, water quality and use of any water resources that may be affected by the project described? <i>(including use for water supply, fisheries, angling, bathing, amenity, navigation, effluent disposal)</i>			
3.8	Are local climatic and meteorological conditions and existing air quality in the area described? <i>(not relevant if the atmospheric environment will not be affected by the project)</i>			
3.9	Is the existing noise climate described? <i>(not relevant if acoustic environment will not be affected by the project)</i>			
3.10	Is the existing situation regarding light, heat and electromagnetic radiation described? <i>(not relevant if these characteristics of the environment will not be affected by the project)</i>			
3.11	Are any material assets in the area that may be affected by the project described? <i>(including buildings, other structures, mineral resources, water resources)</i>			
3.12	Are any locations or features of archaeological, historic, architectural or other community or cultural importance in the area that may be bisected the project described, including any designated or protected sites?			
3.13	Is the landscape or townscape of the area			

No.	Review Question	Relevant?	Adequately addressed?	Any further information needed?
	that may be affected by the project described, including any designated or protected landscapes and any important views or viewpoints?			
3.14	Are demographic, social and socio-economic conditions ( <i>e.g. employment</i> ) in the area described?			
3.15	Are any future changes in any of the above aspects of the environment that may occur in the absence of the project, described? ( <i>the so-called Moving Baseline or 'No project' situation</i> )			
<b>Data collection and survey methods</b>				
3.16	Has the study area been defined widely enough to include all the area likely to be significantly affected by the project?			
3.17	Have all relevant national and local agencies been contacted to collect information on the baseline environment?			
3.18	Have sources of data and information on the existing environment (including social issues) been adequately referenced?			
3.19	Where surveys have been undertaken as part of the E&S studies to characterize the baseline environment are the methods used, any difficulties encountered and any uncertainties in the data described?			
3.20	Were the methods used appropriate for the purpose?			
3.21	Are any important gaps in the data on the existing environment (including social issues) identified and the means used to deal with these gaps during the assessment explained?			
3.22	If surveys would be required to adequately characterise the baseline conditions but they have not been practicable for any reason, are the reasons explained and proposals set out for the surveys to be undertaken at a later stage?			
<b>Any other questions on description of the environment</b>				
<b>SECTION 4: DESCRIPTION OF LIKELY SIGNIFICANT E&amp;S EFFECTS OF THE PROJECT</b>				
<b>Scoping of effects (See Procedure for Scoping)</b>				
4.1	Is the process by which the scope of the E&S studies were defined described?			

No.	Review Question	Relevant?	Adequately addressed?	Any further information needed?
4.2	Is it evident that a systematic approach to scoping was adopted?			
4.3	Is it evident that full consultation was carried out during scoping?			
4.4	Are the comments and views of consultees presented?			
<b>Prediction of direct effects</b>				
4.5	Are direct, primary effects on land uses, people and property described and where appropriate quantified?			
4.6	Are direct, primary effects on geological features and characteristics of soils described and where appropriate quantified?			
4.7	Are direct, primary effects on fauna and flora and habitats described and where appropriate quantified?			
4.8	Are direct, primary effects on the hydrology and water quality of water features described and where appropriate quantified?			
4.9	Are direct, primary effects on uses of the water environment described and where appropriate quantified?			
4.10	Are direct, primary effects on air quality and climatic conditions described and where appropriate quantified?			
4.11	Are direct, primary effects on the acoustic environment (noise or vibration) described and where appropriate quantified?			
4.12	Are direct, primary effects on heat, light or electromagnetic radiation described and where appropriate quantified?			
4.13	Are direct, primary effects on material assets and depletion of non-renewable natural resources ( <i>e.g. fossil fuels, minerals</i> ) described?			
4.14	Are direct, primary effects on locations or features of cultural importance described?			
4.15	Are direct, primary effects on the quality of the landscape and on views and viewpoints described and where appropriate illustrated?			
4.16	Are direct, primary effects on demography, social and socio-economic condition in the area described and where appropriate quantified?			
<b>Prediction of secondary, temporary, short-term, permanent, long-term, accidental, indirect, cumulative effects</b>				

<b>No.</b>	<b>Review Question</b>	<b>Relevant?</b>	<b>Adequately addressed?</b>	<b>Any further information needed?</b>
4.17	Are secondary effects on any of the above aspects of the environment caused by primary effects on other aspects described and where appropriate quantified? ( <i>e.g. effects on fauna, flora or habitats caused by soil, air or water pollution or noise; effects in uses of water caused by changes in hydrology or water quality; effects on archaeological remains caused by desiccation of soils</i> )			
4.18	Are temporary, short term effects caused during construction or during time limited phases of project operation or decommissioning described?			
4.19	Are permanent effects on the environment caused by construction, operation or decommissioning of the project described?			
4.20	Are long term effects on the environment caused over the lifetime of project operations or caused by build up of pollutants in the environment described?			
4.21	Are effects which could result from accidents, abnormal events or exposure of the project to natural or man-made disasters described and where appropriate quantified?			
4.22	Are effects on the environment caused by activities ancillary to the main project described? ( <i>ancillary activities are part of the project but usually take place distant from the main project location; e.g. construction of access routes and infrastructure, traffic movements, sourcing of aggregates or other raw materials, generation and supply of power, disposal of effluents or wastes</i> )			
4.23	Are indirect effects on the environment caused by consequential development described? ( <i>consequential development is other projects, not part of the main project, stimulated to take place by implementation of the project e.g. to provide new goods or services needed for the project, to house new populations or businesses stimulated by the project</i> )			
4.24	Are cumulative effects on the environment off the project together with other existing or planned developments in the locality described? ( <i>different future scenarios</i> )			

No.	Review Question	Relevant?	Adequately addressed?	Any further information needed?
	<i>including a worst case scenario should be described)</i>			
4.25	Are the geographic extent, duration, frequency, reversibility and probability of occurrence of each effect identified as appropriate?			
<b>Prediction of effects on human health and sustainable development issues</b>				
4.26	Are primary and secondary effects on human health and welfare described and where appropriate quantified? <i>(e.g. health effects caused by release of toxic substances to the environment, health risks arising from major hazards associated with the project, effects caused by changes in disease vectors caused by the project, changes in living conditions, effects on vulnerable groups)</i>			
4.27	Are impacts on issues such as biodiversity, global climate change and sustainable development discussed where appropriate?			
<b>Evaluation of the significance of effects (See <i>Criteria for Evaluating Significance of Impacts in Procedure for Scoping</i>)</b>				
4.28	Is the significance or importance of each predicted effect discussed in terms of its compliance with legal requirement and the number, importance and sensitivity of people, resources or other receptors affected?			
4.29	Where effects are evaluated against legal standards or requirements are appropriate local, national or international standards used and relevant guidance followed?			
4.30	Are positive effects on the environment described as well as negative effects?			
4.31	Is the significance of each effect clearly explained?			
<b>Impact assessment methods</b>				
4.32	Are methods used to predict effects described and are the reasons for their choice, any difficulties encountered and uncertainties in the results discussed?			
4.33	Where there is uncertainty about the precise details of the project and its impact on the environment are worst case predictions described?			
4.34	Where there have been difficulties in compiling the data needed to predict or evaluate effects are these difficulties acknowledged and their implications for the			

No.	Review Question	Relevant?	Adequately addressed?	Any further information needed?
	results discussed?			
4.35	Is the basis for evaluating the significance or importance of impacts clearly described?			
4.36	Are impacts described on the basis that all proposed mitigation has been implemented? i.e. are residual impacts described?			
4.37	Is the level of treatment of each effect appropriate to its importance for the development consent decision? Does the discussion focus on the key issues and avoid irrelevant or unnecessary information?			
4.38	Is appropriate emphasis given to the most severe, adverse effects of the project with lesser emphasis given to less significant effects			
<b>Any other questions relevant to description of E&amp;S effects</b>				
<b>SECTION 5: DESCRIPTION OF MITIGATION MEASURES</b>				
5.1	Where there are significant adverse effects on any aspect of the environment is the potential for mitigation of these effects discussed?			
5.2	Are any measures which the developer proposes to implement to mitigate effects clearly described and their effect on the magnitude and significance of impacts clearly explained?			
5.3	If the effect of mitigation measures on the magnitude and significance of impacts is uncertain is this explained?			
5.4	Is it clear whether the developer has made a binding commitment to implement the proposed mitigation or that the mitigation measures are just suggestions or recommendations?			
5.5	Are the developer's reasons for choosing the proposed mitigation explained?			
5.6	Are responsibilities for implementation of mitigation including funding clearly defined?			
5.7	Where mitigation of significant adverse effects is not practicable or the developer has chosen not to propose any mitigation are the reasons for this clearly explained?			
5.8	Is it evident that the EA/SA Team and the			

No.	Review Question	Relevant?	Adequately addressed?	Any further information needed?
	developer have considered the full range of possible approaches to mitigation including measures to reduce or avoid impacts by alternative strategies or locations, changes to the project design and layout, changes to methods and processes, “end of pipe” treatment, changes to implementation plans and management practices, measures to repair or remedy impacts and measures to compensate impacts?			
5.9	Are arrangements proposed to monitor and manage residual impacts?			
5.10	Are any negative effects of the proposed mitigation described?			
<b>Any other questions on mitigation measures</b>				
<b>SECTION 6: NON-TECHNICAL SUMMARY</b>				
6.1	Does the EAR/SAR include a Non-Technical summary?			
6.2	Does the summary provide a concise but comprehensive description of the project, its environment, the effects of the project on the environment and the proposed mitigation?			
6.3	Does the summary highlight any significant uncertainties about the project and its E&S effects?			
6.4	Does the summary explain the development consent process for the project and the role of EA/SA in this process?			
6.5	Does the summary provide an overview of the approach to the assessment?			
6.6	Is the summary written in non-technical language, avoiding technical terms, detailed data and scientific discussion?			
6.7	Would it be comprehensible to a lay member of the public?			
<b>Any other questions on non-technical summary</b>				
<b>SECTION 7: QUALITY OF PRESENTATION</b>				
7.1	Is the EAR/SAR available in one or more clearly defined documents?			
7.2	Is the document(s) logically organized and			



No.	Review Question	Relevant?	Adequately addressed?	Any further information needed?
	clearly structured so that the reader can locate information easily?			
7.3	Is there a table of contents at the beginning of the document(s)			
7.4	Is there a clear description of the process which has been followed?			
7.5	Is the presentation comprehensive but concise, avoiding irrelevant data and information?			
7.6	Does the presentation make effective use of tables, figures, maps, photographs and other graphics?			
7.7	Does the presentation make effective use of annexes or appendices to present detailed data not essential to understanding the main text?			
7.8	Are all analyses and conclusions adequately supported with data and evidence?			
7.9	Are all sources of data properly referenced?			
7.10	Is consistent terminology used throughout the document(s)?			
7.11	Does it read as a single document with cross referencing between sections used to help the reader navigate through the document(s)?			
7.12	Is the presentation demonstrably fair and as far as possible impartial and objective?			
<b>Any other questions on non-technical summary</b>				

### Overall Appraisal of the EAR/SAR

No.	Review Topic	Grade	Comment
1	Description of the project		
	Alternatives		
	Description of the environment likely to be affected by the project		
	Description of the likely significant effects of the project		
	Description of mitigating measures		
	Non-technical summary		
	Quality of presentation		
<b>Overall assessment:</b>			
<b>Comments:</b>			

## **ANNEX E-12: OUTLINE FOR AN ENVIRONMENTAL IMPACT ASSESSMENT REPORT FOR CATEGORY A SUBPROJECTS FUNDED BY A DEVELOPMENT FINANCIAL INSTITUTION**

1. An environmental assessment report is required for all environment category A and B investments. Its level of detail and comprehensiveness is commensurate with the significance of potential environmental impacts and risks. A typical EIA report contains the following major elements, and an IEE may have a narrower scope depending on the nature of the investment. The substantive aspects of this outline will guide the preparation of environmental impact assessment reports, although not necessarily in the order shown.

### **A. Executive Summary**

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

### **B. Policy, Legal, and Administrative Framework**

3. This section discusses the applicable safeguard requirements, including development financial institutions (DFIs) (see footnote below)<sup>1</sup> requirements and national laws, regulations and standards on environment, health, safety, involuntary resettlement and land acquisition, indigenous peoples, and physical cultural resources.

### **C. Description of the Subproject**

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

### **D. Description of the Environment (Baseline Data)**

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

### **E. Anticipated Environmental Impacts and Mitigation Measures**

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

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<sup>1</sup> The safeguard requirements outlined here pertains to ADB. Other DFIs also have similar requirements.

## **F. Analysis of Alternatives**

7. This section examines alternatives to the proposed investment site, technology, design, and operation—including the no investment alternative—in terms of their potential environmental impacts; the feasibility of mitigating these impacts; their capital and recurrent costs; their suitability under local conditions; and their institutional, training, and monitoring requirements. It also states the basis for selecting the particular investment design proposed and, justifies recommended emission levels and approaches to pollution prevention and abatement.

## **G. Information Disclosure, Consultation, and Participation**

8. This section:

- (i) describes the process undertaken during investment design and preparation for engaging stakeholders, including information disclosure and consultation with affected persons and other stakeholders;
- (ii) summarizes comments and concerns received from affected persons and other stakeholders and how these comments have been addressed in investment design and mitigation measures, with special attention paid to the needs and concerns of vulnerable groups, including women, the poor, and Indigenous Peoples; and
- (iii) describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for carrying out consultation with affected persons and facilitating their participation during investment implementation.

## **H. Grievance Redress Mechanism**

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

## **I. Environmental Management Plan**

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

- (i) Mitigation:
  - (a) identifies and summarizes anticipated significant adverse environmental impacts and risks;
  - (b) describes each mitigation measure with technical details, including the type of impact to which it relates and the conditions under which it is required (for instance, continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate; and
  - (c) provides links to any other mitigation plans (for example, for involuntary resettlement, Indigenous Peoples, or emergency response) required for

the investment.

- (ii) Monitoring:
  - (a) describes monitoring measures with technical details, including parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits and definition of thresholds that will signal the need for corrective actions; and
  - (b) describes monitoring and reporting procedures to ensure early detection of conditions that necessitate particular mitigation measures and document the progress and results of mitigation.
- (iii) Implementation arrangements:
  - (a) specifies the implementation schedule showing phasing and coordination with overall investment implementation;
  - (b) describes institutional or organizational arrangements, namely, who is responsible for carrying out the mitigation and monitoring measures, which may include one or more of the following additional topics to strengthen environmental management capability: technical assistance programs, training programs, procurement of equipment and supplies related to environmental management and monitoring, and organizational changes; and
  - (c) estimates capital and recurrent costs and describes sources of funds for implementing the environmental management plan.
- (iv) Performance indicators: describes the desired outcomes as measurable events to the extent possible, such as performance indicators, targets, or acceptance criteria that can be tracked over defined time periods.

## **J. Conclusion and Recommendation**

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

**ANNEX E-13: CHECKLIST OF DOCUMENTATION REQUIRED FOR PREPARATION OF ENVIRONMENT AND SOCIAL SAFEGUARD DUE DILIGENCE REPORT UNDER TAKEOUT FINANCE SCHEME**

**A. Environmental Safeguards Related Requirement**

1. Environment safeguards related documents required for any post-COD project are as follows (if available):

- (i) copy of EIA-EMP report
- (ii) copy of operation and maintenance agreement
- (iii) copy of various clearances like (environmental clearance, forest clearance, CRZ clearance, wildlife clearance, if applicable, tree cutting permission and NOC) from various authorities like MoEF, SPCB, other state level regulatory authorities etc. or status of applicable permits taken during pre-construction, construction and operation phase
- (iv) details of public hearing proceedings (minutes of public hearing and newspaper cuttings of public hearing notification)
- (v) six monthly compliance reports submitted to MoEF for compliance of EC letter conditions

2. Status of post-construction phase activities:

- (i) number of tree felling due to project, compensatory afforestation status, any gap or improvement
- (ii) rehabilitation of borrow areas
- (iii) soil erosion control measures, embankment protection measures
- (iv) redevelopment of quarry areas
- (v) restoration of camp sites and plant sites
- (vi) any enhancement of community assets
- (vii) provision of any facility out of public demand

3. Safeguards compliance status during operation phase activities:

- (i) compliance status of environment management plan during operation phase
- (ii) Environmental Quality Monitoring Reports during operation phase
- (iii) Institutional arrangement in place for implementation and monitoring of EMP;
- (iv) Emergency Preparedness and Response Plan during Operation Phase
- (v) Plantation Maintenance measures
- (vi) Impact on sensitive receptors
- (vii) Adequate Traffic Management Measures (in case of road projects)
- (viii) Accident/Incident data report along with remedial measures
- (ix) Health and Work Safety measures
- (x) Community severance issues, if any

**B. Social Safeguards Related Requirement**

1. Document required: copy of SIA/RAP report, if available

2. Following details are required for social safeguards for the project (post COD):

- (i) any pending litigation case of land acquisition;
- (ii) any indigenous people/Tribal people affected due to project;
- (iii) any compensation related issues;
- (iv) any displacement of people;
- (v) local employment generated during construction as well as operation phase;
- (vi) any grievances pending and grievance redressal mechanism;
- (vii) Details of any special effort taken by project developer or project facility provided (like underpasses, service road etc.) due to public demand; and
- (viii) CSR activities undertaken.

## **ANNEX E-14: SUGGESTED OUTLINE OF ENVIRONMENTAL DUE DILIGENCE REPORT FOR SUBPROJECTS**

### **I. Introduction**

1. Investment description: investment title, type of investment, location and setting, amount, size (production capacity, number of staff, etc.)
2. Environmental categorization and rationale
3. Applicable Environmental Requirements. See Section II B of [Name of Fund]'s ESMS )

### **II. Scope of Review and Methodology**

1. Documents reviewed (e.g., environmental assessment reports, Environmental Management Plans, or environmental compliance audit reports, copies of permits/licenses)
2. Methodology adopted (site visit, inspection report, etc.)

### **III. Compliance and liability (by relevant safeguard requirements applicable for the specific investment, examine environmental issues and compliance)**

1. Examine issues in terms of environmental, impacts, mitigation measures to address these issues (or corrective action plan for existing facilities) and compliance status with applicable ADB environmental safeguard requirements and national laws, regulations, and standards:
  - (i) Environmental Safeguards
    - appropriate identification of major anticipated environmental impacts and risks
    - adequacy of environmental assessment (for category A investments, including the adequacy of alternative analysis)
    - compliance status with applicable requirements on (a) information disclosure, (b) consultation with affected persons and other stakeholders, (c) occupational and community health and safety, biodiversity conservation and sustainable natural resource management, and physical cultural resources
    - adequacy of mitigation measures and EMP (mitigation measures, monitoring and reporting, institutional arrangement, budget), or corrective action plan for existing facilities, if any
  - (ii) Adequacy of grievance redress mechanism arrangements
2. Recommend mitigation measures, or corrective action plans, if gaps are identified
3. For existing facilities including investments under construction, examine whether the investee company paid pollution charges or fines/penalties for non-compliance in the last two years in accordance with national laws, whether the investee company is exposed to potentially significant liabilities, such as those arising from known or suspected land/groundwater contamination, major accidents and incidents related to the company's past or ongoing

operations, and state further actions required/planned by the investee, in particular actions to address any non-compliance problems and liabilities. Also examine whether there are complaints from the public or local communities on the investee company's environmental performance.

4. State any risk control or mitigation measures to be taken by the investment, such as conditions, loan covenants or monitoring and reporting requirements

**IV. Other investment specific issues, if any**

**V. Conclusion and Recommendations**



## **ANNEX E-15: SUGGESTED SCOPE FOR PERIODIC ENVIRONMENTAL AND SOCIAL MONITORING REPORT FOR SUBPROJECTS TO BE SUBMITTED BY BORROWERS**

### **A. Investment Name and Summary Information**

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

### **B. Relevant Environmental Permits or Compliance Certificates**

- (i) Issued by government agency(ies) (include name of agency)
- (ii) Issuance dates and duration of validity
- (iii) Permit conditions and renewal requirements
- (iv) Six-monthly report submitted to MoEF in compliance of the conditions of Environment Clearance letter.
- (v) Other standards and/or certificates (e.g., ISO 14000 Environmental Management Systems and Standards)
- (vi) Gazette Notifications for land acquisition
- (vii) ROW land hand Over letter from NHAI(in case of highway projects)

### **C. Grievance Redress Mechanism**

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

### **D. Occupational and Community Health and Safety**

- (i) Training programs carried out
- (ii) Incidents<sup>1</sup> recorded, including date, scale of damage and injury<sup>2</sup>, if any; authorities in charge of investigation/recording, and media or community reactions, if any; action taken to respond to the incident; and any outstanding issues and proposed measures
- (iii) Analysis of major accidents or incidents during project implementation with details of measures introduced to prevent recurrence
- (iv) Other health and safety events or out-reach activities and implementation status of health, safety, Environment Plan, copy of HSE Policy,

### **E. Environmental and Social Management Capacity**

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

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

- (i) Number of staff, qualifications and experience in environmental management and social management
- (ii) Frequency of Environmental & Social monitoring/supervision/audit by subproject team to the site
- (iii) Awareness of (a) environmental issues, (b) health and safety, (c) national environmental and social laws and regulations, and (d) applicable ADB's environmental and social safeguard requirements
- (iv) Training programs carried out
- (v) Assessment of environmental and social management capacity needs (including planned capacity building programs)

**F. Stakeholder Consultation**

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

**G. Compliance with Applicable Environmental Safeguard Requirements as Defined in Section F of the EMS**

Implementation of EMP/RAP/Emergency Preparedness and response Plan (citing changes in the EMP/RAP, where warranted) at construction or operation phase, focusing on mitigation measures and monitoring program. Attach copies of EMP compliance as well as Environmental monitoring reports. If standards or thresholds are exceeded, specify the corrective actions implemented or to be implemented. Adequacy of EMP/RAP budget and its expenditure status as on date. Implementation status of RAP and utility shifting mentioning land acquisition status and status of compensation payment to the affected people including encroachers & squatters, total number of project affected people/families, number of affected ST families and the additional assistance provided to them, details of the affected Public properties and initiatives taken for their relocation/ compensation.

**H. Other Information and Feedback**

Please list any other information that may relate to environmental and social matters, community initiatives within your company, positive media or NGO attention, training activities, management system initiatives or cost savings through process efficiency, environment-friendly and socially viable processes.

**Name and Signature**

Name:	Date:
Position:	Phone:
Signature:	E-mail:

**ANNEX E-16: AUDIT RECORDING SHEET TO REPORT IMPLEMENTATION OF ENVIRONMENTAL SAFEGUARD SYSTEMS AT IIFCL**  
**(The form will continue for the project life)**

Reporting Period	
<b>A. SUB PROJECT BACKGROUND INFORMATION</b>	
1. Name of Sub-Project:	
2. Name of Concessionaire / SPV:	
3. Name of Lead Bank and other Co-Lenders	
4. Contact Details: ESMU / IIFCL	
5. Location:	
6. Sector / Sub-Sector:	
7. Sub-loan: US\$	
8. Status of implementation:	
9. What policies of DFI on safeguards cover this subproject? <sup>1</sup>	
10. Safeguard category:	
11. Were any environmental and social due diligence undertaken by IIFCL?	
12. Number of IIFCL safeguard site visits	
13. Milestones Audited in Previous Years	
14. Products Placed for Audit in the Current Year	
<b>B. MEMO TO BOARD</b>	
1. What are the significant environmental and social issues identified in Memo to Board?	
2. Does the Memo adequately flag mandatory requirements for environmental and social compliance? Are all compliance conditions fully met prior sending Memo to the Board?	
<b>C. ENGAGEMENT DOCUMENTS WITH LEAD BANK / SPV</b>	
1. Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or Indigenous Peoples plan, or audit reports reviewed	
2. Is IIFCL's ESSF included as mandatory requirement in legal documents?	
3. Do the legal documents reflect EMP in an implementable and verifiable form?	
4. Are the EMP requirements adequately covered in Concession Document / Construction Agreement / O&M Agreement / Subproject Developer Agreement	
5. Were the applicable environmental and social safeguard requirements and their implementation discussed with the concessionaire?	

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Reporting Period	
6. Were any conditions or covenants related to environmental and social issues made along with the sub loan (e.g. concession document, construction agreement)?	
7. Has the concessionaire/Lead Bank implemented the Environmental Management Plan (EMP), resettlement plan (RP) or Indigenous Peoples Plan (IPP), were applicable, before or during construction and/or operation?	
8. Does the subproject comply with the applicable government requirements (e.g., environmental clearance was issued, applicable permits and licenses issued, etc.)?	
9. Are all significant environmental issues covered and well flagged in the EMP?	
10. Was Public Hearing if applicable conducted as per EIA Notification of MoEF?	
11. Have outcomes of Public Hearing appropriately reflected in the EMP?	
12. Is the EMP adequately costed and reflected so in the financial appraisal?	
D. EMP IMPLEMENTATION	
1. Is environmental and social monitoring conducted as specified in the EMP/RP/IPP? What are IIFCL's observations on the monitoring results?	
2. Is the concessionaire/Lead Bank submitting safeguard monitoring reports to IIFCL on a regular basis?	
3. For category A subprojects, were safeguards-related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on DFI's website?	
4. Were there major accidents or incidents during project implementation? What measures were introduced to prevent recurrence?	
5. What key safeguard issues or complaints from affected people were identified? What were the recommendations for improvement?	
6. What are the outstanding safeguard requirements for follow up or corrective action plan (CAP) to be prepared by the concessionaire or Lead Bank, if any?	
7. Is the subproject compliant with applicable national/local environmental requirements?	
8. Is the subproject compliant with DFI's environmental assessment requirements?	

Reporting Period	
9. Has the Lead Bank / Subproject Developer implemented all the EMP measures covered in the contracts?	
10. Has the agency for environmental monitoring been appointed?	
11. Observations on environmental monitoring, interpretation and reporting:	
12. Complaints received from the public were resolved or needing follow-up action;	
13. Deployment of staff to monitor implementation of environmental mitigation measures from the contractor, concessionaire and NHAI.	
14. Is the Lead Bank/Subproject Developer submitting reports to IIFCL and other lenders on a regular basis?	
15. Observations on the EMP monitoring mechanism	
16. Are there any new environmental issues identified during project implementation, and/or after technical closure? If so, how are these issues addressed?	
17. Has the Lead Bank/Subproject Developer taken note of the new issues and implemented appropriate mitigation measures	
E Conclusion on environmental safeguard compliance status of subproject	

### Summary of Environmental Safeguards Compliance in Matrix Format

No.	Company Name	Subproject Name	Environmental Safeguard Due Diligence	Compliance Status vis-à-vis DFI Safeguard Policies	Social Safeguard Compliance Monitoring and Review by DFI	Action Required by IIFCL to Ensure Compliance

**ANNEX E-17: OUTLINE FOR A PERIODIC ENVIRONMENTAL AND SOCIAL  
PERFORMANCE REPORT FOR SUBPROJECTS  
(INDICATIVE FORMAT)**

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes. IIFCL is required to submit the periodic performance report to DFIs (see footnote below)<sup>2</sup>. This format is only for guidance and could be improved.

Name of Organization			
Completed by (name):			
Position in organization:			
Reporting period	From:		

**A. Environmental and Social Management System (ESMS)**

<b>Policies &amp; Processes</b>	<i>Yes/No</i>	
Has your organization developed and implemented an ESMS?		<b>If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.</b>
If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting period?		<b>If yes, please provide a copy of the updates including dates and reasons for the same.</b>
Has senior management signed off on the updated policy/procedure?		<b>If yes, please provide the date and internal communication indicating the same.</b>
Has your organization appointed staff tasked to implement the ESMS?		<b>IF yes, please provide information on number of staff and qualification (experience and education background) to implement the ESMS.</b>
Please give details of any transactions rejected due to environmental and/or social concerns.		
Please state any difficulties and/or constraints related to the implementation of the ESMS.		
Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements.		
Please give details of any material social and environmental issues associated with clients during the reporting period in particular.		
In case the existing ESMS is not fully functional, what are the action plan being implemented by your organization?		Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.
<b>Capacity</b>	<i>Yes/No</i>	

<sup>2</sup> Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS.		<b>Please describe the training or learning activities the Environmental/Social Officer or Coordinator attended during the year.</b>
Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation.		<b>Please describe the training provided to the ESMS persons and other team members during the year.</b>
What was the budget allocated to the ESMS and its implementation during the year?		<b>Please provide budget details including staff costs and training as well as any actual costs.</b>
<b>Monitoring</b>		
Do you receive environmental and social monitoring reports from Lead Banks/Borrowers?		If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.
Do you check for ongoing compliance of your clients with national regulation and any other requirements?		<b>If yes, please describe the process including any social and environmental considerations if applicable.</b>
Please describe how you monitor the clients and their investments' social and environmental performance.		Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.
Please provide details of any accidents/litigation/complaints/regulatory notices and fines: <ul style="list-style-type: none"> <li>- Any incidents of non-compliance with the applicable Environmental and Social Requirements</li> <li>- Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance</li> </ul>		
<b>Reporting</b>		
Is there an internal process to report on social and environmental issues to Senior management?		If yes, please explain the process, reporting format and frequency and actions taken if any.
Do you prepare any social and environmental reports: <ul style="list-style-type: none"> <li>- For other multilateral agencies</li> <li>- Other stakeholders</li> <li>- E&amp;S reporting in the Annual Report</li> <li>- Sustainability reports</li> </ul>		If yes, please provide copies of these reports.

**Activities on DFI's Prohibited Investment Activities List**

If any, please indicate the dollar percentage of loans or	
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investments out of your total outstanding exposure provided to clients who are substantially involved in DFI's Prohibited Investment Activities List (Refer to Attachment 1).	_____%
If the percentage is not zero, please explain these exposures and any steps having been taken to reduce such exposure.	

### C. Subprojects Using DFI Funds

Please provide information about all new investments using DFI funds approved during this reporting period.

Name of Subproject:	
Location:	
Sector:	
Total loan from IIFCL/DFI (US\$ mn):	
Safeguard category: (Annex E-3)	Environment: Involuntary Resettlement: Indigenous Peoples:
Were any environmental and social due diligence undertaken and by your organization?	If yes, provide information on due diligence activities, such as desk review of safeguard documents, and field visit, and by whom.
Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization?	If yes, please provide the names of documents reviewed.
What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?	
Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation?	
For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website?	If yes, please provide website link and the date the documents were uploaded.
Were any conditions or covenants related to environmental and social issues made along with the investment?	If yes, please briefly describe.
Does the investment comply with applicable government requirements?	
Does the investment comply with applicable DFI safeguard requirements?	



## ANNEX E-18: TERMS OF REFERENCE FOR DETAILED ENVIRONMENTAL IMPACT ASSESSMENT OF HIGH IMPACT CATEGORY HIGHWAY SUB-PROJECTS<sup>1</sup>

### I. General

1. Subproject environment assessment (EA) is the stage when more thorough assessments are done. It includes carrying out detailed surveys, analysis of data, assessment of impacts and corresponding mitigation and/or enhancement measures, and preparing various reports that include the detailed EAR and Environment Management Plans (EMPs). The consultants shall carry out the subproject EA based on the revised terms of reference (TOR) which is the outcome of the scoping process (as described in the attachment “The Scoping Process and Corresponding Outputs” in this index). The work plans and methods employed shall be as per those described in the scoping report.

2. **Baseline surveys.** The consultants will (i) collect information from secondary sources that are relevant to understanding the baseline, as well as design and mitigation of enhancement measures, as pertaining to physical, biological and socio-cultural environments; (ii) carry out site visits and investigations of all environmentally sensitive locations and document them on base maps to identify conflict point with preliminary designs (including verification of these from authentic sources of information, such as from revenue and forest records, etc.); and (iii) prepare detailed specific maps showing details of candidate sites for environmental enhancements.

3. **Additional baseline surveys.** The consultants shall collect information on the existing environmental scenario from secondary sources, and identify gaps to be filled, relevant to the environmental screening needs from primary surveys. The consultants shall survey the environmentally sensitive locations on and along the sub-project road, as well as within the subproject’s influence area. The consultants shall extensively use the video and other records of the project road (carried out as part of engineering surveys). All regionally and nationally recognized environmental resources and features within the subproject’s influence area shall be clearly identified and studied in relation to the activities proposed. Typically, these will include stretches with significant roadside trees, environmental and common property resources such as forests, large water bodies, and major physical cultural properties. All these may be depicted using a line diagram or a strip map.

4. All surveys will be carried out in compliance with Government of India’s standards/guidelines/norms. Wherever such guidelines/norms are unavailable, the techniques, tools and samples employed for the surveys shall conform to international practices. Whenever directly relevant secondary data is available, these should be used, while indirectly relevant data should be verified through primary survey. Environmental quality (air, water, and noise) monitoring shall include an adequate number of samples, as established on a sampling network, so as to provide a representative sample of the entire subproject corridor. Additional sample data for sensitive environmental/ecological receptors, if any, shall be collected such as to analyse and predict the possible impacts to a large degree and precision of acceptable professional standards. Further, additional specialized surveys, such as biodiversity assessment survey, and/or hydrological surveys shall be conducted, if and when recommended by environmental scoping. It is recommended that environmental surveys be coordinated with social and engineering surveys as far as practical.

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<sup>1</sup> Adapted from “Management of Environmental and Social Issues in Highway Projects in India” by the World Bank

5. The consultants shall also collect information on the various prevailing environmental and forest laws/regulations so as to carry out the subproject EA in conformity with these.

6. **Stakeholder consultation.** The consultants shall undertake community consultation sessions at the state, district, village and road-side community levels. The objective of these sessions shall be to improve the subproject's interventions with regard to environmental management. At least two rounds of consultations shall be carried out—the first to seek views from the stakeholders on environmental issues and ways that these could be resolved, and the second to provide feedback to stakeholders that their views have been taken into account for the sub-project (when the EMPs are nearly complete). Following this the final feedback received shall be analysed, and the consultants shall determine how these shall be addressed in the Final EMP and subproject designs. The consultants shall coordinate the entire consultation programme with social and engineering consultants.

7. **Environmental analysis of alternatives.** As the overall highway alignments are final at this stage, the environmental analysis of alternatives shall focus on location-specific issues relating to cross-sections, materials and their sources from an environmental management perspective. This analysis shall also cover comparisons in relation to siting, design, technology selection, construction techniques and phasing, and operating and maintenance procedures.

8. **Impact prediction and management.** The consultants shall determine the potential impacts due to the subproject through identification, analysis and evaluation on sensitive areas (natural habitats, sites of historic, cultural, and conservation importance), urban settlements and villages/agricultural areas. These should be classified as significant positive and negative impacts, immediate and long-term impacts, and unavoidable and reversible impacts

9. For each impact predicted, feasible and cost-effective mitigation measures shall be identified to reduce potentially significant adverse environmental impacts to acceptable levels. The capital and recurring costs of the measures, and the institutional training and monitoring requirements to effectively implement these measures shall be determined. The consultants shall explore and recommend environmental enhancements including roadside landscaping, separation of non-motorized lanes in an aesthetically appealing manner, provision of pilgrimage pathways, and development of cultural properties, and improving access along the corridor. At this stage, it would be important to identify issues that cannot be dealt with during the subproject preparation stage, but should be undertaken during the implementation stage.

10. **Institutional arrangements to manage environmental impacts effectively.** The consultants shall identify institutional and organisational needs to implement the recommendations of the subproject EA, and to propose steps to strengthen/expand them if needed. This may extend to new agency functions, inter-sectoral arrangements, management procedures and training, staffing, operation and maintenance, training and budgeting.

11. **Training of staff.** The consultants shall develop and implement a plan for training the India Infrastructure Finance Company Limited (IIFCL) staff. This plan must specify types of training, participants for each type, number of sessions, duration of each session and when they should be conducted. At the end of the training, when the draft EMPs are ready, brief reports shall be prepared on the training conducted and observations relevant for future training, if any.

12. **Other assistance to be provided by the consultants.** The consultants shall support IIFCL to furnish any relevant information required for obtaining clearance from several state and central government agencies. These may include (i) assistance in the submission of application

for clearance of reserved or protected forests to the Forest Department, (ii) completion of forms and submission of the same for obtaining no-objection certificates (or NOCs) under the Water and Air Acts from SPCBs, (iii) completion and submission of the MoEF questionnaire for environmental appraisal of the subproject, (iv) assistance in presentation to the Wildlife Board of the MoEF in obtaining clearance for the section of the corridor passing through wildlife reserves or sanctuaries and other protected areas (if any), and (v) assistance in submission of any other clearance requirements with regard to environmental components relevant to the subproject.

13. The consultants shall discuss and co-ordinate with the engineering and social consultants, the findings and recommendations of the subproject EA in a *continuous manner*. The consultants shall then prepare an EAR, which will be revised in consideration of the comments of IIFCL and the concerned MDB (if any).

14. **Environmental management plans.** Based on the predicted environmental impacts, separate EMPs, for each construction contract package, shall be prepared in such a manner that they can be incorporated in the bidding/contract documents. The EMP shall be prepared to fulfil all the requirements of the Government of India, and at the minimum, shall meet the requirements of the concerned MDB. The EMP shall also include a list of design modifications recommended by the subproject EA along with the road chainages.

15. **Environmental mitigation and enhancement measures.** The EMP shall describe feasible and cost-effective measures to prevent or reduce significant negative impacts to acceptable levels. Apart from mitigation of potential adverse impacts on environmental components, the EMP shall identify opportunities that exist for enhancement of environmental quality along the corridor. This shall include the enhancement of specific locations as water bodies, enhancement of scenic areas along the corridor, etc. residual impacts from environmental measures shall also be clearly identified. The EMP shall include specific or sample plans for common road construction-related activities, such as the management and redevelopment of quarries, borrow areas and construction camps, and good practice guides related to construction and upkeep of plant and machinery. The EMP shall include detailed specification, bill of quantities, execution drawings and contracting procedures for execution of the environmental mitigation and enhancement measures suggested, separate for pre-construction, construction and operation periods. Responsibilities for execution and supervision of each of these mitigation and enhancement measures shall be specified in the EMP. A plan for continued consultation to be conducted during the implementation stage of the subproject shall also be prepared.

16. **Capacity building and training.** The EMP shall describe the implementation arrangement for the subproject, especially the capacity building proposals including the staffing of the environmental unit (as and when recommended) to implement the environmental mitigation and enhancement measures. For each staff position recommended to be created, detailed job responsibilities will be defined. Equipment and resources required for the environmental unit shall be specified, and bill of quantities be prepared. A training plan and schedule shall be prepared specifying the target groups (environmental unit, supervision consultants, and contractors) for individual training programmes, the content and mode of training.

17. **Monitoring and Reporting.** The EMP shall specify the environmental supervision, monitoring and auditing requirements. The monitoring programme shall specify parameters, reference standards, monitoring methods, frequency, duration, location, reporting responsibilities, and any other necessary inputs (e.g. training). In addition, the programme will

specify what actions shall be taken and by whom in the event that the proposed mitigation measures fail, either partially or totally, to achieve the level of environmental protection expected. Customised formats for reporting on the progress of EMP activities to different stakeholders shall be prepared and included in the EMPs.

18. Each EMP shall list all mandatory government clearance conditions and the status of procuring the clearances. Additionally, the EMPs shall include as separate attachments, if applicable, natural habitat plan and/or cultural properties plan, etc. to satisfy the requirements of MDB (if any) policies.

19. Each EMP shall provide a summary description of where and how the recommendations of EA and EMP are made part of the subproject's design, construction schedule, and all contract documents.

**ANNEX E-19: PUBLIC CONSULTATION PROCESS DEFINED BY MINISTRY OF ENVIRONMENT AND FOREST'S ENVIRONMENTAL IMPACT ASSESSMENT NOTIFICATION, 2006 AND VARIOUS AMENDMENTS**

1. The public consultation shall ordinarily have two components comprising of:
  - (i) A public hearing at the site or in its close proximity- district wise, to be carried out in the manner prescribed in **Annex E-18**, for ascertaining concerns of local affected persons
  - (ii) Obtain responses in writing from other concerned persons having a plausible stake in the environmental aspects of the project or activity
2. The public hearing at, or in close proximity to, the site(s) in all cases shall be conducted by the State Pollution Control Board (SPCB) or the Union territory Pollution Control Committee (UTPCC) concerned in the specified manner and forward the proceedings to the regulatory authority concerned within 45 (forty five) of a request to the effect from the applicant.
3. In case the State Pollution Control Board or the Union territory Pollution Control Committee concerned does not undertake and complete the public hearing within the specified period, and/or does not convey the proceedings of the public hearing within the prescribed period directly to the regulatory authority concerned as above, the regulatory authority shall engage another public agency or authority which is not subordinate to the regulatory authority, to complete the process within a further period of forty five days.
4. If the public agency or authority nominated under the sub-paragraph (iii) above reports to the regulatory authority concerned that owing to the local situation, it is not possible to conduct the public hearing in a manner which will enable the views of the concerned local persons to be freely expressed, it shall report the facts in detail to the concerned regulatory authority, which may, after due consideration of the report and other reliable information that it may have, decide that the public consultation in the case need not include the public hearing.
5. For obtaining responses in writing from other concerned persons having a plausible stake in the environmental aspects of the project or activity, the concerned regulatory authority and the State Pollution Control Board (SPCB) or the Union territory Pollution Control Committee (UTPCC) shall invite responses from such concerned persons by placing on their website the summary EIA report prepared in the format as specified in EIA Notification, 2006 and further amendments by the applicant along with a copy of the application in the prescribed form, within seven days of the receipt of a written request for arranging the public hearing. Confidential information including non-disclosable or legally privileged information involving Intellectual Property Right, source specified in the application shall not be placed on the web site. The regulatory authority concerned may also use other appropriate media for ensuring wide publicity about the project or activity. The regulatory authority shall, however, make available on a written request from any concerned person the Draft EIA report for inspection at a notified place during normal office hours till the date of the public hearing. All the responses received as part of this public consultation process shall be forwarded to the applicant through the quickest available means.
6. After completion of the public consultation, the applicant shall address all the material environmental concerns expressed during this process, and make appropriate changes in the draft EIA and EMP. The final EIA report, so prepared, shall be submitted by the applicant to the concerned regulatory authority for appraisal. The applicant may alternatively submit a

supplementary report to draft EIA and EMP addressing all the concerns expressed during the public consultation.

**ANNEX E-20: PUBLIC CONSULTATION AND INFORMATION DISCLOSURE MECHANISM  
AS PER MINISTRY OF ENVIRONMENT AND FOREST'S ENVIRONMENTAL IMPACT  
ASSESSMENT NOTIFICATION, 2006 AND VARIOUS AMENDMENTS**

1.0 The Public Hearing shall be arranged in a systematic, time bound and transparent manner ensuring widest possible public participation at the project site(s) or in its close proximity District -wise, by the concerned State Pollution Control Board (SPCB) or the Union Territory Pollution Control Committee (UTPCC).

**2.0 The Process.**

The Applicant shall make a request through a simple letter to the Member Secretary of the SPCB or Union Territory Pollution Control Committee, in whose jurisdiction the project is located, to arrange the public hearing within the prescribed statutory period. In case the project site is extending beyond a State or Union Territory, the public hearing is mandated in each State or Union Territory in which the project is sited and the Applicant shall make separate requests to each concerned SPCB or UTPCC for holding the public hearing as per this procedure.

The Applicant shall enclose with the letter of request, at least 10 hard copies and an equivalent number of soft (electronic) copies of the draft EIA Report with the generic structure as specified in EIA Notification, 2006 and further amendments including the Summary Environment Impact Assessment report in English and in the official language of the state/ local language, prepared strictly in accordance with the Terms of Reference communicated after Scoping (Stage-2). Simultaneously the applicant shall arrange to forward copies, one hard and one soft, of the above draft EIA Report along with the Summary EIA report to the Ministry of Environment and Forests and to the following authorities or offices, within whose jurisdiction the project will be located:

- (a) District Magistrate/District Collector/ Deputy Commissioner/ s
- (b) Zila Parishad or Municipal Corporation or Panchayats Union
- (c) District Industries Office
- (d) Urban Local Bodies (ULBs)/PRIs Concerned/ Development Authorities
- (e) Concerned Regional Office of the Ministry of Environment and Forests

On receiving the draft Environmental Impact Assessment report, the abovementioned authorities except the MoEF, shall arrange to widely publicize it within their respective jurisdictions requesting the interested persons to send their comments to the concerned regulatory authorities. They shall also make available the draft EIA Report for inspection electronically or otherwise to the public during normal office hours till the Public Hearing is over. The SPCB or UTPCC concerned shall also make similar arrangements for giving publicity about the project within the State/Union Territory and make available the Summary of the draft Environmental Impact Assessment report for inspection in select offices or public libraries or panchayats etc. They shall also additionally make available a copy of the draft Environmental Impact Assessment report to the above five authorities as mentioned.

**3.0 Notice of Public Hearing**

3.1 The Member-Secretary of the concerned SPCB or UTPCC shall finalize the date, time and exact venue for the conduct of public hearing within 7(seven) days of the date of receipt of the draft Environmental Impact Assessment report from the project proponent, and advertise the same in one major National Daily and one Regional vernacular Daily. A minimum notice period

of 30(thirty) days shall be provided to the public for furnishing their Responses.

3.2 The advertisement shall also inform the public about the places or offices where the public could access the draft Environmental Impact Assessment report and the Summary Environmental Impact Assessment report before the public hearing. In places where the newspapers do not reach, the Competent Authority should arrange to inform the local public about the public hearing by other means such as by way of beating of drums as well as advertisement /announcement on radio/television.

3.3 No postponement of the date, time, venue of the public hearing shall be undertaken, unless some untoward emergency situation occurs and only on the recommendation of the concerned District Magistrate the postponement shall be notified to the public through the same National and Regional vernacular dailies and also prominently displayed at all the identified offices by the concerned SPCB or Union Territory Pollution Control Committee.

3.4 In the above exceptional circumstances fresh date, time and venue for the public consultation shall be decided by the Member –Secretary of the concerned SPCB or UTPCC only in consultation with the District Magistrate/ Deputy Commissioner and notified afresh as per procedure under 3.1 above.

#### **4.0 Supervision and Presiding over the Hearing**

4.1 The District Magistrate/District Collector/ Deputy Commissioner or his or her representative not below the rank of an Additional District Magistrate assisted by a representative of SPCB or UTPCC, shall supervise and preside over the entire public hearing process.

#### **5.0 Videography**

5.1 The SPCB or UTPCC shall arrange to video film the entire proceedings. A copy of the videotape or a CD shall be enclosed with the public hearing proceedings while forwarding it to the Regulatory Authority concerned.

#### **6.0 Proceedings**

6.1 The attendance of all those who are present at the venue shall be noted and annexed with the final proceedings.

6.2 There shall be no quorum required for attendance for starting the proceedings.

6.3 A representative of the applicant shall initiate the proceedings with a presentation on the project and the Summary EIA report.

6.4 Persons present at the venue shall be granted the opportunity to seek information or clarifications on the project from the Applicant. The summary of the public hearing proceedings accurately reflecting all the views and concerns expressed shall be recorded by the representative of the SPCB or UTPCC and read over to the audience at the end of the proceedings explaining the contents in the local/ vernacular language and the agreed minutes shall be signed by the District Magistrate/District Collector/ Deputy Commissioner or his or her representative on the same day and forwarded to the SPCB/UTPCC concerned.



6.5 A Statement of the issues raised by the public and the comments of the Applicant shall also be prepared in the local language or the official state language, as the case may be and in English and annexed to the proceedings.

6.6 The proceedings of the public hearing shall be conspicuously displayed at the office of the Panchyats within whose jurisdiction the project is located, office of the concerned Zila Parishad, District Magistrate /District Collector/ Deputy Commissioner ,and the SPCB or UTPCC. The SPCB or UTPCC shall also display the proceedings on its website for general information. Comments, if any, on the proceedings which may be sent directly to the concerned regulatory authorities and the Applicant concerned.<sup>1</sup>

## 7.0 Time Period for Completion of Public Hearing

7.1 The public hearing shall be completed within a period of 45 (forty five) days from date of receipt of the request letter from the Applicant. Therefore the SPCB or UTPCC concerned shall sent the public hearing proceedings to the concerned regulatory authority within 8(eight) days of the completion of the public hearing .Simultaneously, a copy will also be provided to the project proponent.The applicant may also directly forward a copy of the approved public hearing proceedings to the regulatory authority concerned along with the final Environmental Impact Assessment report or supplementary report to the draft EIA report prepared after the public hearing and public consultations incorporating the concerns expressed in the public hearing along with action plan and financial allocation, item-wise, to address those concerns.

7.2 If the SPCB or UTPCC fails to hold the public hearing within the stipulated 45 (forty five) days, the Central Government in Ministry of Environment and Forests for category A project or activity and the State Government or Union Territory Administration for category B project or activity at the request of the SEIAA, or project proponent shall engage any other agency or authority to complete the process, as per procedure laid down in this notification.

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<sup>1</sup> Note that the *draft* EIA report will be available to the locally affected persons prior to the Public Hearing. Thus, citizens will not get to see the *final* EIA report (on the basis of which the decision on the project will be made)

## ANNEX E-21: GUIDANCE ON INCORPORATING THE EMP INTO CONTRACT DOCUMENTS (IN THE CASE OF HIGHWAY PROJECTS)<sup>1</sup>

1. **Environmental Requirements in the Pre-bid Document.** The project implementing agency, i.e. the State Public Works Departments (PWDs) or the National Highway Authority of India (NHAI) issue the pre-bid documents to shortlist a few (usually six) contractors, based on their expression of interest and capability. While details on environmental requirements are not really needed at the pre-bid stage, it is useful to mention that the contractor's environmental management capability or experience is expected to be good.

2. **Incorporating EMP in the Bid Document.** The project implementing agency issues the bid document to the pre-qualified contractors. There are two types of bid documents – for International Competitive Bids (ICBs) and National Competitive Bids (NCBs). In MDB-financed projects, these documents are prepared based on templates provided by the MDB. The ICB documents are based on the FIDIC (acronym for International Institute of Consulting Engineers) guidelines, while the NCB is closer to national contracting procedures, i.e. the Central PWD contract documents in India. The bid documents contain separate volumes for instance, a typical ICB document contains (i) general conditions of contract which is based on the FIDIC (ii) technical specifications, which is based on the Ministry of Road Transport and Highways (MoRTH) specifications in India for road and bridge works (iii) Bill of Quantities (iv) drawings. The parts of the EMP must be included in the relevant locations of the bid documents in the following manner.

- (i) **Mitigation/enhancement measures and monitoring requirements tables.** The cross-reference to these tables should be included in the “Conditions of particular application” or COPA, which is part of the General Conditions of Contract (e.g. Section IV, Item 19.1 of the ICB). As a standard practice, there is overall reference to laws that have to be followed in this section / item. The relevant laws need to be mentioned here. In addition, the adherence to the mitigation / enhancement measures and monitoring requirement tables should be included. The two tables will have to be added as annexes or the EMP (without cost) as a whole must be attached. Either the annexes or the appropriate section in the EMP should be cross-referenced in the description of this item.
- (ii) **Modifications/additions to the technical specifications.** Due to the mitigation/enhancement measures included in the EMP, there may be (i) additions/alterations required to the MoRTH specifications and (ii) some new specifications. These are to be referred to in the section “Supplementary Specifications” in the Technical Specifications Volume of the bid documents. Generally, the MoRTH specifications are taken as followed and are not repeated in the bid documents. The section on “Supplementary Specifications” should also include additional technical specifications related to the EMP or should provide a cross-reference to the specific section of the EMP.
- (iii) **Cost table.** All the items in the EMP cost table relevant to the contractor have to be referred to in the Bill of Quantities table, which is a separate volume of the bid documents. It is to be noted that this table includes various tasks to be done by the contractor under different categories. Against each task the contractor will

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<sup>1</sup> Adapted from Management of Environmental and Social Issues in Highway Projects in India by the World Bank. The environmental requirements for a project implementing agency are included in the EMP. Of these requirements, those related to the construction phase and the contractor have to be necessarily covered in the bid and contract documents

have to indicate a unit rate while completing the bid documents.

- (iv) **Drawings:** Due to the mitigation / enhancement measures included in the EMP, (a) there may be changes required to the drawings (b) new drawings. All of these are to be reflected in the bid documents under a separate Drawings Volume. If the drawings are included in the EMP, then a cross-reference should be provided in the Drawings Volume.

3. **Developing the EMP to suit the bid/contract documents.** As one of the intentions is to integrate the EMP requirements in to the bid document / contract agreement, the EMP should be developed keeping the following in mind.

- (ii) **Mitigation/enhancement measures table–description.** In this table, the text describing each measure should not include / repeat what is already covered under the MoRTH technical specification which is being cross-referenced. The text should be short and clear. The description must focus on the “what” and “where” of the mitigation/enhancement measures, as the “how” has already been covered under the specification.
- (iii) **Monitoring requirements table.** There are certain monitoring requirements for the contractor. While developing this table, those that apply to the contractor must be clearly separated.
- (iv) **Technical specifications.** The modifications to the MoRTH specifications and additional specifications must be separately listed. These should be included as Annexes in the EMP. They should be adequately detailed to avoid problems (including those of interpretation) at the site.
- (v) **Drawings.** The modifications to the drawings as well as additional drawings must be included as annexes in the EMP. It is important to note that all such drawings should be “execution drawings” detailed as per the requirement of the particular item so as to execute at the site with adequate quality control and workmanship. (Also, it is important to note that the quality of the Bill of Quantities or cost estimate and technical specifications part of the contract document depends on the degree of detailing in the drawings.
- (vi) **Cost table.** The items pertaining to the contractor should be clearly separated from those that are to be implemented by the project implementing agency, supervision consultant or any other agency. The contractors’ cost table should also not be attached to the bid / contract documents
- (vii) **Timing for finalising the EMP.** It is best to finalise the EMP before finalising the bid documents. This is required to fully reflect the sections of the EMP relevant to the contractor in the bid documents and to ensure full integration

4. **Other notes.**

- (i) **Variation Orders.** Once the completed bids have been received from prospective contractors, the project implementing agency takes a decision based on the costs and technical merit of the bids. Following the decision, the project implementing agency and the contractor sign the completed bid documents. It becomes the contract agreement thereafter. If issues have been missed in the bid documents it cannot be amended at the time of signing the contract agreement, unless there is a really strong justification for the same. If there is an EMP cost item that is not reflected in the Bill of Quantities of the signed contract agreement, the supervision consultant may issue a variation order. The contractor will quote a rate and the task gets done. The issue of variation orders

is a standard practice and is generally used. However, the intent of good contracting practices is to minimise variation orders.

**LIST OF SOCIAL ANNEXES PERTAINING TO SOCIAL SAFEGUARD FRAMEWORK  
(ANNEX S-1 TO S-13)**

<b>Annex No.</b>	<b>Title of the Annex</b>	<b>Remarks</b>
Annex S-1	Paying Replacement Value	Documents the procedure for estimating the rehabilitation assistance by delineating the process for estimation, replacement value of lands and assets. This annex also emphasizes the need to complete the rehabilitation implementation works before physical displacement of affected families.
Annex S-2	Sample Entitlements Matrix Format	This annex is the key to ESF and delineates the entitlement for various loss categorizes such as agricultural land, homestead, residential, commercial tenancy and entitlements to squatters and allowance for loss of earnings, shifting of belongings, crop and fruit bearing trees, negative impact on schedule tribe families and common property resources.
Annex S-3	Checklists of documents that should be submitted By lead banks / subborrowers (SPVs) to IIFCL for loan application	Provides checklist of documents that need to be submitted by the lead banks / subborrowers to IIFCL to facilitate social due-diligence on the project
Annex S-4	Resettlement Screening Checklist	Provides a checklist for seeking basic information on IR / IP impacts to determine the documentation and applicable procedures to carryout social due-diligence
Annex S-5	Tribal Peoples Effects Screening Checklist	Provides a checklist for seeking basic information on IP impacts to determine the documentation and applicable procedures to carryout social due-diligence
Annex S-6	Scope of Resettlement Plan	The Government of India procedures as well as the social safeguard of DFIs allow for abridged documentation, if the social impacts of the project are not significant. This annex provides the area of coverage of short resettlement plan applicable for such project.
Annex S-7	Scope of Tribal Development Plan	Provides the details that need to be covered short tribal development plans with the IR impacts at indigenous people are minor or insignificant
Annex S-8	Review of Policy and Legal Framework	Reviews all national legislations and social safeguard policy and DFIs to provide quick understanding and salient aspect of these instruments.
Annex S-9	Checklist of Documentation required for preparation of Social Due Diligence Report under Take out Finance Scheme	Provides checklist of documents that need to be submitted by the sub-borrowers to IIFCL to facilitate environmental and social due-diligence on the project
Annex S-10	Suggested Outline of Social Due Diligence Report for Subprojects	Provides outline for Social DDRs for subprojects
Annex S-11	Draft TOR for an External Agency for Monitoring and Evaluation	Provides detailed terms of reference for external agency for monitoring, evaluating, resettlement implementation plan.

<b>Annex No.</b>	<b>Title of the Annex</b>	<b>Remarks</b>
Annex S-12	Suggested Scope for an Annual Social Monitoring Report for Subprojects	Provides scope for an annual social monitoring report for subprojects
Annex S-13	Audit Recording Sheet Implementation of Social Safeguard Systems (the form will continue for the project life)	Provides the key milestones for which the social audit observations will be recorded as a part of annual audit

DDR = due diligence report, DFIs = Development Financial Institutions, ESF = Environmental Safeguards Framework, IIFCL = India Infrastructure Finance Company Limited, IP = indigenous people, IR = involuntary resettlement, SPV = special purpose vehicle, TOR = terms of reference

## **ANNEX S-1: PAYING REPLACEMENT VALUE**

### **A. Replacing What is Lost**

1. If individuals or a community must lose all or part of their land, means of livelihood, or social support systems so that a project might proceed, they will be compensated and assisted to replace lost land, housing, infrastructure, resources, income sources, and services in cash or kind so that their economic and social circumstances will be at least restored to the pre-project level. If the residual of an asset taken is not economically viable, compensation and other assistance are provided as for the entire asset. Non-land-based options may be used where land is not the preferred option of the affected persons or where land of similar quality and quantity is not available.

2. All compensation is based on the principle of replacement cost. Replacement cost means the method of valuing assets to replace the loss at market value or its nearest equivalent plus any transaction costs such as administrative charges, taxes, registration, and titling costs. Where GOI regulations do not meet this standard, the replacement cost will be supplemented as necessary. Replacement cost is based on market value before the project or dispossession, whichever is higher. In the absence of functioning markets, a compensation structure is required that enables affected persons to restore their livelihoods to levels at least equivalent to those maintained at the time of dispossession, displacement, or restricted access. Replacement cost of an affected asset is equivalent to the amount required to replace the asset in its existing condition. The replacement cost of structures should be equal to the cost of constructing/purchasing a new structure, without making any deductions for depreciation.

To assist in the determination of how “replacement cost” will be determined, the subborrower will finance the formation of compensation committees, with due AP representation, to help the relevant land acquisition agency arrive at the replacement price. If the statutory compensation is lower than the replacement value, it is mandatory to pay the difference as a form of “resettlement assistance” to each AP.

### **B. Land Acquisition and Concessing Agency**

3. Land acquisition for a public purpose or for a company is done by the state government authorities as per the Land Acquisition Act. The required payment for such acquisition, known as the 'circle rate,' is decided by the acquiring officer and district collector. Although the 'circle rate' is expected to be the 'market value,' often it is not the case. Therefore, what is necessary is to have a compensation committee which reviews the land market in the area and decides in consultation with affected persons the current market value of land which is also the replacement value of such land. If the circle rate is less than the replacement value, the concessing agency may also take suitable decision to pay the difference so that APs get the market value (replacement value) of the land lost. This applies to structures, houses, and commercial buildings.

4. As per the operational experience of IIFCL, Concessing Authority follow the applicable national guidelines while implementing the land acquisition and R&R activities.

### **C. Civil Works and Resettlement Assistance**

5. The National Rehabilitation and Resettlement Policy, 2007 (NRRP-2007) recognizes that displacement and other project impacts make it difficult for affected families to continue their

livelihood. The policy proposes that a project provide each affected family 'on replacement cost basis' agricultural land or cultivable wasteland, if government land is available for distribution. This benefit would also be available to affected families who have, as a consequence of land acquisition, been reduced to the status of marginal farmers.

6. In addition to receiving replacement value of all acquired property prior to physical displacement and commencement of physical works of a project, each AP is entitled to economic rehabilitation. A comprehensive economic rehabilitation plan, together with allocated funds to implement it, should be ready before the project is approved. As economic rehabilitation programs could take long period to complete, the project sponsor should make necessary arrangements, and monitor and evaluate the adequacy and relevance of such programs. As part of the economic rehabilitation programs, local skill development and income generation programs should be examined and priority registration in such programs should be given to APs.



## ANNEX S-2: SAMPLE ENTITLEMENTS MATRIX FORMAT

1. The entitlement matrix provides guidance for compensation, resettlement, and rehabilitation assistance planning. Lack of title/customary rights recognized under law will not be a bar to entitlement. Hence, non-titled encroachers and squatters as well as indigenous or other groups with customary rights over land or resources, if present in the project area, will be eligible for compensation (the entitlement matrix provides additional elements to vulnerable persons). However, people moving into the project area after the cut-off date are not entitled to compensation and resettlement benefits. The entitlement matrix provides all possible categories of losses to ensure that all resettlement impacts of all subproject components to be finalized during design will be addressed.

2. The entitlement matrix below outlines various types of losses resulting from the subprojects and provides for compensation and R&R packages. If during further processing of a subproject and loan implementation additional resettlement impacts are identified, the entitlement matrix will be updated by including provision of compensation and assistance for the additional impacts as per the SSF by mutual consent between the subborrower and the Facility.

Type of Loss	Unit of Entitlement	Entitlements
I. Agricultural land	a) Titleholder family b) Family with customary land rights c) Authorized encroacher/ squatter family	(i) Compensation at replacement value (ii) Compensation for land will be paid as per Land Acquisition Act, 1894. If the replacement cost (determined as per this policy framework) is more than the compensation, as determined by the compensation committee in consultation with Project Proponent /EA, then the difference is to be paid by the subproject in the form of “resettlement assistance.” (iii) If the residual plot(s) is (are) not viable, i.e. less than average land holding of the district, the following options will be given to the AP. <ul style="list-style-type: none"> <li>• The AP keeps the remaining land and the compensation and assistance is paid to the landowner for the land to be acquired.</li> <li>• Compensation and “resettlement assistance” are given for the entire plot including residual plot, if the owner of such land wishes that the project authority should also acquire his residual plot. The project authority will acquire the residual plot so paid.</li> <li>• If AP is from vulnerable group, compensation for the entire land will be by means of land-for-land if so wished by AP and provided that the land of equal or more productive value is available.</li> </ul> (iv) Fully physically displaced families (losing their entire land) belonging to ST category (tribal) will be provided with 2.5 acres of irrigated agricultural land or 5 acres of non-irrigated agricultural land. (v) Fully physically displaced families (losing their entire land and residence) belonging to all other categories except STs shall be provided two acres of irrigated agricultural land or four acres of non-irrigated agricultural land. In case of non-availability

Type of Loss	Unit of Entitlement	Entitlements
		<p>of land, cash equivalent will be provided each of an amount of Rs/acre of irrigated land and an amount of Rs/acre of non-irrigated land which includes the cost of reclamation.</p> <p>(vi) All fees, stamp duties, taxes, and other charges, as applicable under the relevant laws, incurred in the relocation and rehabilitation process, are to be borne by the subborrower.</p> <p>(vii) Transitional allowance in Rs/month per displaced family shall be provided on the vacation of land/house for a period of one year from the date of vacation as determined by the collector concerned.</p>
<p>II. Homestead land and assets (residential land and structure)</p>	<p>a) Titleholder/ owner residential land/structure</p> <p>b) Owner residential land/structure with customary rights</p> <p>c) Authorized residential encroachers/ squatters</p>	<p>(i) Compensation at replacement value</p> <p>(ii) Compensation for residential land will be paid as per LA act. If replacement value for land and structure is more than the compensation determined by the compensation committee in consultation with Project Proponent/EA, then difference is to be paid by the subborrower in the form of "assistance."</p> <p>(iii) Replacement value for residential structure (part or full), which will be calculated as per the prevailing basic schedule of rates (BSR) without depreciation, subject to relevant "quality standards" of BSR as maintained by the government/authorized body.</p> <p>(iv) Fully physically displaced family (losing its entire residential land and/or structure) will be eligible for assistance in the form of 0.10 acre of homestead land in rehabilitation habitat or cash equivalent if opting for self-relocation elsewhere.</p> <p>(v) Fully physically displaced family (losing its entire residential land and/or structure) will get house building assistance in rupees which include cattle shed. This will be admissible to all physically displaced families whether settling in a resettlement habitat or elsewhere.</p> <p>(vi) In order to ensure timely vacation, an allowance in Rs/month per displaced family shall be provided on vacation of land/house for a period of one year from the date of vacation as determined by the collector concerned.</p> <p>(vii) For construction of temporary shed, assistance in rupees shall be provided to each physically displaced family.</p> <p>(viii) Transportation allowance in rupees or free transportation to the resettlement habitat per physically displaced family by the project authority.</p> <p>(ix) Right to salvage material from demolished structure/building.</p> <p>(x) Project assisted relocation option will be provided to fully physically displaced persons and those whose residential structures becomes non-livable as a result of subproject impacts and a relocation site will be developed in consultation with these</p>

Type of Loss	Unit of Entitlement	Entitlements
		affected households provided that such land is available in the same locality. Basic amenities and other necessary infrastructure at relocation sites will be provided by the subborrower.
III. Homestead land and assets (commercial land and structure)	a) Titleholder/ owner commercial land/structure b) Owner commercial land/structure with customary right c) Authorized commercial encroachers/squatters	(i) Compensation at replacement value (ii) Compensation for commercial land will be paid as per LA act. If replacement cost for land and structure is more than the compensation determined by the compensation committee, then difference is to be paid by the subborrower in the form of "resettlement assistance." (iii) Replacement value for commercial structure (part or full), which will be calculated as per the prevailing basic schedule of rates (BSR) without depreciation, subject to relevant "quality standards" of BSR as maintained by the government/authorized body. (iv) Fully physically displaced family (losing its entire commercial land and/or structure) will be eligible for assistance in the form of 0.10 acre of homestead land in rehabilitation habitat or cash equivalent if opting for self-relocation elsewhere. (v) Fully physically displaced family (losing its entire commercial land and/or structure) will get building assistance in rupees which includes a cattle shed. This will be admissible to all displaced families whether settling in a resettlement habitat or elsewhere. (vi) In order to ensure timely vacation, a transitional allowance in Rs/month per displaced family shall be provided on vacation of land/structure for a period of one year from the date of vacation as determined by the collector concerned. (vii) Transportation allowance in rupees or free transportation to the resettlement habitat or their new place of inhabitation shall be provided to each displaced family by the project authority. (viii) For re-establishment of business, assistance in rupees shall be provided to each displaced family by way of providing commercial structure. (ix) Right to salvage material from demolished structure. (x) Project assisted relocation option will be provided to fully displaced persons and those whose commercial structures becomes non-livable as a result of project impacts and a relocation site will be developed in consultation with these affected households provided that such land is available in the same locality. Basic amenities and other necessary infrastructure at relocation sites will be provided by the sub-borrower.
IV. Residential tenancy	a) Residential tenant	(i) The amount of deposit or advance payment paid by the tenant to the landlord and/or the remaining amount at the time of expropriation. (This will be

Type of Loss	Unit of Entitlement	Entitlements
		<p>deducted from the payment of assistance to the landlord/owner).</p> <p>(ii) A sum equal to 3 months rental in consideration of the disruption caused.</p> <p>(iii) Compensation for any structure that tenant has erected on the property. (This will be deducted from such payment to the landlord/owner).</p> <p>(iv) For construction of temporary shed, assistance in rupees shall be provided to each displaced family.</p> <p>(v) Transportation allowance or free transportation to the resettlement habitat or their new place of inhabitation shall be provided to each displaced family by the project authority.</p>
V. Commercial tenancy	b) Commercial tenants	<p>(i) The amount of deposit or advance payment paid by the tenant to the landlord and/or the remaining amount at the time of expropriation. (This will be deducted from the payment of assistance to the landlord/owner).</p> <p>(ii) A sum equal to three months rental in consideration of the disruption caused.</p> <p>(iii) Compensation for any structure that tenant has erected on the property. (This will be deducted from such payment to the landlord/owner).</p> <p>(iv) For construction of temporary shed, assistance in rupees shall be provided to each displaced family.</p> <p>(v) Transportation allowance or free transportation to the resettlement habitat or their new place of inhabitation shall be provided to each displaced family by the project authority.</p>
VI. Agricultural land possessed by squatters and encroachers	a) Agricultural squatters belong to the vulnerable group	<p>(i) Eligible to get ex-gratia equal to compensation admissible under the Land Acquisition Act, 1894, for a similar category of land to the extent of land under his/her physical possession up to a maximum of one standard acre.</p> <p>(ii) APs will be notified and given a time frame in which they will be required to remove their assets and harvest their crops.</p> <p>(iii) Compensation for standing perennial and non-perennial crops grown by the APs.</p> <p>(iv) Right to salvage materials from the demolished structure.</p>
VII. Homestead land possessed by squatters and encroachers	a) Squatters belong to the vulnerable group	<p>(i) Ex-gratia equal to compensation for land to landless families as per LAA</p> <p>(ii) R&amp;R assistance:</p> <ul style="list-style-type: none"> <li>• Eligible to get ex-gratia, equal to compensation for the similar category of homestead land, against the encroached homestead land up to a maximum of 1/10<sup>th</sup> of an acre in rural areas or 1/25<sup>th</sup> of an acre in urban areas.</li> <li>• APs will be notified and given a time in which they will be required to remove their assets.</li> <li>• In order to ensure timely vacation, a transitional allowance in Rs/month per displaced family shall</li> </ul>

Type of Loss	Unit of Entitlement	Entitlements
		<p>be provided on vacation of land/structure for a period of one year from the date of vacation as determined by the collector concerned.</p> <ul style="list-style-type: none"> <li>• For construction of temporary shed, assistance in Rs shall be provided to each displaced family.</li> <li>• Transportation allowance in rupees or free transportation to the resettlement habitat or their new place of inhabitation shall be provided to each displaced family by the project authority.</li> </ul>
VIII. Residential and commercial structure by squatters and encroachers	a) Squatters belong to the vulnerable group	<ul style="list-style-type: none"> <li>(i) Compensation for structure at replacement value</li> <li>(ii) Right to salvage materials from the demolished structure.</li> <li>(iii) In order to ensure timely vacation, a transitional allowance per month per displaced family shall be provided on vacation of land/structure for a period of one year from the date of vacation as determined by the collector concerned.</li> <li>(iv) For construction of temporary shed, assistance in Rs shall be provided to each displaced family.</li> <li>(v) Transportation allowance in Rs or free transportation to the resettlement habitat or their new place of inhabitation shall be provided to each displaced family by the subborrower.</li> </ul>
IX. Shifting business— mobile vendors	a) Households	Not eligible for compensation or “assistance.” Ambulatory vendors who have been granted license for operating will be considered as kiosk.
X. Kiosks	a) Household	“Assistance” in Rs for business disruption
XI. Loss of wage earnings	a) employee in commercial establishments b) agricultural laborer/share-croppers/tenants	<ul style="list-style-type: none"> <li>(i) Individual employee/agricultural laborer/sharecropper indirectly affected due to their employer being displaced will be assisted for their economic rehabilitation in cash payment.</li> <li>(ii) Assistance is to be paid on a case-by-case basis, as per the prevailing local wage rates for up to 100 days.</li> <li>(iii) Employment priority for APs in the construction work, if so desired by them.</li> <li>(iv) Preference will be given to these APs in availing other development program/schemes being implemented by the government in the project area.</li> <li>(v) Vocational training funded by subborrower would be provided for upgrading of skills to the APs belonging to vulnerable groups and losing their commercial structures.</li> </ul>
XII. Income from non-perennial crops and non-fruit bearing tree	a) Titleholder family losing agricultural land b) Eligible squatters and encroachers using land	<ul style="list-style-type: none"> <li>(i) Advance notice to APs to harvest their crops and fruits</li> <li>(ii) In case of standing crops, cash compensation at current market value</li> <li>(iii) Grant for replacement of seeds for the next season’s harvest towards loss of crops before harvest in case of forced relocation.</li> <li>(iv) Trees will be compensated as per prevailing rate of Forest Department.</li> </ul>

Type of Loss	Unit of Entitlement	Entitlements
XIII. Perennial crops such as fruit bearing trees	a) Titleholder family losing agricultural land b) Agricultural squatters belong to vulnerable group	(i) Advance notice to APs to harvest their crops and fruits (ii) Compensation for perennial crops and trees calculated as annual produce value for at least three seasons. (iii) Grant for replacement of seeds for the next season's harvest towards loss of crops before harvest in case of forced relocation. (iv) Trees will be compensated as per prevailing rate of Forest Department.
XIV. Negative impacts on scheduled tribe family	a) Families belong to ST category	(i) While developing the resettlement plans, the sociocultural norms of indigenous and primitive tribal groups will be respected. (ii) Each physically displaced family of indigenous category shall be given preferential allotment of land. Such arrangements will be spelled out in the RP and/or TDP. (iii) As far as practicable, indigenous communities should be resettled in a compact area close to their natural habitat. (iv) Indigenous displaced families involuntarily resettled outside the district shall be given 25% higher R&R benefits in monetary terms.
XV. Common property resources	a) Community	Relocation: Either subproject or district administration shall take up construction at a new place as would be determined in consultation with representatives of affected persons/community.
XVI. Temporary impact during construction include disruption of crops and damage to adjacent parcel of land and other assets	a) Community b) Household c) Individual	<p style="text-align: center;">Compensation:</p> (i) The contractor shall bear the cost of any impact on crops' adjacent land during construction. (ii) All temporary use of lands outside proposed site to be through written approval of the landowner by contractor. (iii) Location of construction camps by contractors in consultation with EA and local people.
XVII. Unforeseen impacts, if any	a) Community b) Household c) Individual	(i) Compensation as per this policy framework (ii) R&R assistance as per this policy framework

**ANNEX S-3: CHECKLISTS OF DOCUMENTS THAT SHOULD BE SUBMITTED  
BY LEAD BANKS / SUBBORROWERS (SPVs) TO IIFCL FOR LOAN APPLICATION**

**I. Key Approvals/Consents**

- (i) Gazette Notification/3D Notification relating to Land Acquisition, approvals/consents/permissions/MOU from the Government/Concessing Authority on behalf of the project proponent for the intention to land acquisition for public purpose. Right of Way Hand Over letter from the Concessing Authority.

**II. Key Documentation**

- (ii) RAP/SIA/TDP report with Executive Summary, Resettlement Action Plan with statement of budgets that have been estimated and committed.
- (iii) Status of land acquisition
- (iv) Employment Generated for the local people/ project affected people. CSR policy of the Project Authority as well as CSR activity adopted for the PAP and the project affected area.
- (v) Notice/Record/Minutes of Public Hearing (actual conduct as well as written comments received) with a statement that summarizes suggestions incorporated in the Environmental Management Plan (EMP), RAP as a result of public hearing.
- (vi) Any pending litigation-legal statement on the project that states whether the project is under any legal proceedings e.g. by State/Central Government or suffering from Public Interest Litigation (PIL).
- (vii) Grievances Redressal Mechanism by the project authority.

### ANNEX S-4: RESETTLEMENT SCREENING CHECKLIST

<b>Impact</b>	<b>Not Known</b>	<b>Yes</b>	<b>No</b>	<b>Indication of scope</b> (no. of affected persons, land area, land use, structures, etc.)
Is the prospective subproject company (PPC) undertaking or likely to undertake any land acquisition?				
Is the PPC acquiring land through willing buyer to willing seller transactions?				
Does the PPC have any agreements or is it likely to enter into agreements with the government for provision of sites or land or rights to land?				
Is any of the land used by the PPC (or likely to be used by the PPC) compulsorily acquired?				
Will any PPC activities involve restrictions of use on adjoining land?				
Are the sites for land acquisition known?				
What is the ownership status of the land?				
Are non-titled persons present?				
Will tenants, lessees, share farmers, or other third party users be affected?				
Will there be loss of housing?				
Will there be loss of crops, trees, and other fixed assets?				
Will there be loss of incomes and livelihoods?				
Will access to facilities, services, or resources be lost?				
Will there be loss of businesses or enterprises?				
Will any social or economic activities be affected by land use related changes?				
<b>If involuntary resettlement impacts are expected:</b>				
Are local laws and regulations compatible with DFI's involuntary resettlement policy?				
Will land be acquired through the government or by the PPC?				
Do PPC agreements with the government (if any) specify involuntary resettlement will be conducted in accordance with international standards?				
Does the government executing agency/PPC have sufficient skilled resources for resettlement planning and implementation?				
Are training and capacity building required prior to resettlement planning and implementation?				



## ANNEX S-5: TRIBAL PEOPLES EFFECTS SCREENING CHECKLIST

Impact on Tribal Peoples	Not Known	Yes	No	Remarks or identified problems, if any
Are there tribal groups present in project locations?				
Do they maintain distinctive customs or economic activities that may make them vulnerable to hardship?				
Will the subproject restrict their economic and social activity and make them particularly vulnerable in the context of project?				
Will the subproject change their socioeconomic and cultural integrity? <sup>1</sup>				
Will the subproject disrupt their community life?				
Will the subproject positively affect their health, education, livelihood, or social security status?				
Will the subproject negatively affect their health, education, livelihood, or social security status?				
Will the subproject alter or undermine the recognition of their knowledge, preclude customary behaviors, or undermine customary institutions?				
In case there is no disruption of tribal community life as a whole, will there be loss of housing, loss of land, crops, trees, and other fixed assets owned or controlled by individual tribal households?				

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<sup>1</sup> That is, undermine their production systems and the maintenance and transmission of their cultural patterns.

## ANNEX S-6: SCOPE OF RESETTLEMENT PLAN

<b>A. Executive Summary</b>	This section provides a concise statement of project scope, key survey findings, entitlements and recommended actions.
<b>B. Project Description</b>	This section provides a general description of the project, discusses project components that result in land acquisition, involuntary resettlement, or both and identify the project area. It also describes the alternatives considered to avoid or minimize resettlement. Include a table with quantified data and provide a rationale for the final decision.
<b>C. Scope of Land Acquisition and Resettlement</b>	This section: (i) discusses the project's potential impacts, and includes maps of the areas or zone of impact of project components or activities; (ii) describes the scope of land acquisition (provide maps) and explains why it is necessary for the main investment project; (iii) summarizes the key effects in terms of assets acquired and displaced persons; and (iv) provides details of any common property resources that will be acquired.
<b>D. Methodology for Impact Assessment</b>	This section outlines the methodology and tools adopted for: (i) resettlement screening (ii) land acquisition planning (iii) socioeconomic survey (iv) census survey or inventory of assets and livelihood loss (v) consultation with stakeholders
<b>E. Socioeconomic Information and Profile</b>	This section outlines the results of the social impact assessment, the census survey, and other studies, with information and/or data disaggregated by gender, vulnerability, and other social groupings, including: (i) define, identify, and enumerate the people and communities to be affected; (ii) describe the likely impacts of land and asset acquisition on the people and communities affected taking social, cultural, and economic parameters into account; (iii) discuss the project's impacts on the poor, indigenous and/or ethnic minorities, and other vulnerable groups; and (iv) identify gender and resettlement impacts, and the socioeconomic situation, impacts, needs, and priorities of women.
<b>F. Stakeholders Consultation and Participation</b>	This section: (i) identifies project stakeholders, especially primary stakeholders; (ii) describes the consultation and participation mechanisms to be used during the different stages of the project cycle; (iii) summarizes the results of consultations with affected persons (including host communities), and discusses how concerns raised and recommendations made were addressed in the resettlement plan; and (iv) describes the process for consultation with affected persons during project implementation.
<b>G. Legal Framework</b>	This section: (i) describes national and local laws and regulations that apply to the project and identify gaps between local laws and DFI's policy requirements; and discuss how any gaps will be addressed. (ii) describes the legal and policy commitments from the executing agency for all types of displaced persons; (iii) outlines the principles and methodologies used for determining valuations and compensation rates at replacement cost for assets, incomes, and livelihoods; and set out the compensation and assistance eligibility criteria and how and when compensation and assistance will be provided. (iv) describes the land acquisition process and prepare a schedule for meeting key procedural requirements.

<b>H. Entitlements, Assistance and Benefits</b>	<p>This section:</p> <ul style="list-style-type: none"> <li>(i) defines displaced persons' entitlements and eligibility, and describes all resettlement assistance measures (includes an entitlement matrix);</li> <li>(ii) specifies all assistance to vulnerable groups, including women, and other special groups; and.</li> <li>(iii) outlines opportunities for affected persons to derive appropriate development benefits from the project.</li> </ul>
<b>I. Relocation of Housing and Settlements</b>	<p>This section:</p> <ul style="list-style-type: none"> <li>(i) describes options for relocating housing and other structures, including replacement housing, replacement cash compensation, and/or self-selection (ensure that gender concerns and support to vulnerable groups are identified);</li> <li>(ii) describes alternative relocation sites considered; community consultations conducted; and justification for selected sites, including details about location, environmental assessment of sites, and development needs;</li> <li>(iii) provides timetables for site preparation and transfer;</li> <li>(iv) describes the legal arrangements to regularize tenure and transfer titles to resettled persons;</li> <li>(v) outlines measures to assist displaced persons with their transfer and establishment at new sites;</li> <li>(vi) describes plans to provide civic infrastructure; and</li> <li>(vii) explains how integration with host populations will be carried out.</li> </ul>
<b>J. Income Restoration and Rehabilitation</b>	<p>This section:</p> <ul style="list-style-type: none"> <li>(i) identifies livelihood risks and prepare disaggregated tables based on demographic data and livelihood sources;</li> <li>(ii) describes income restoration programs, including multiple options for restoring all types of livelihoods (examples include project benefit sharing, revenue sharing arrangements, joint stock for equity contributions such as land, discuss sustainability and safety nets);</li> <li>(iii) outlines measures to provide social safety net through social insurance and/or project special funds;</li> <li>(iv) describes special measures to support vulnerable groups;</li> <li>(v) explains gender considerations; and</li> <li>(vi) describes training programs.</li> </ul>
<b>K. Resettlement Budget and Financing Plan</b>	<p>This section:</p> <ul style="list-style-type: none"> <li>(i) provides an itemized budget for all resettlement activities, including for the resettlement unit, staff training, monitoring, and preparation of resettlement plans during loan implementation.</li> <li>(ii) describes the flow of funds (the annual resettlement budget should show the budget-scheduled expenditure for key items).</li> <li>(iii) includes a justification for all assumptions made in calculating compensation rates and other cost estimates (taking into account both physical and cost contingencies), plus replacement costs.</li> <li>(iv) includes information about the source of funding for the resettlement plan budget.</li> </ul>
<b>L. Information Disclosure</b>	<p>This section:</p> <ul style="list-style-type: none"> <li>(i) describes the activities undertaken to disseminate project and resettlement information during project design and preparation for engaging stakeholders;</li> <li>(v) confirms disclosure of the draft resettlement plan to affected persons and includes arrangements to disclose any subsequent plans; and</li> <li>(vi) describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) during project implementation.</li> </ul>
<b>M. Grievance Redress Mechanisms</b>	<p>This section describes mechanisms to receive and facilitate the resolution of affected persons' concerns and grievances. It explains how the procedures are accessible to affected persons and gender sensitive.</p>
<b>N. Institutional</b>	<p>This section:</p>

<b>Arrangements</b>	(i) describes institutional arrangement responsibilities and mechanisms for carrying out the measures of the resettlement plan; (ii) includes institutional capacity building program, including technical assistance, if required; (iii) describes role of NGOs, if involved, and organizations of affected persons in resettlement planning and management; and (iv) describes how women's groups will be involved in resettlement planning and management.
<b>O. Implementation Schedule</b>	This section includes a detailed, time bound, implementation schedule for all key resettlement and rehabilitation activities. The implementation schedule should cover all aspects of resettlement activities synchronized with the project schedule of civil works construction, and provide land acquisition process and timeline.
<b>P. Monitoring and Reporting</b>	This section describes the mechanisms and benchmarks appropriate to the project for monitoring and evaluating the implementation of the resettlement plan. It specifies arrangements for participation of affected persons in the monitoring process. This section will also describe reporting procedures.

## **Guidance Note on Preparing a Resettlement Plan<sup>1</sup>**

### **Executive Summary**

An executive summary is a succinct note on the key aspects of the resettlement plan. Please avoid details, data tables and a conclusion. But include the number of persons, households and land area and structures affected, planned approach to pay replacement cost as compensation for acquired land or provide land-for-land in lieu of cash compensation and relocation plans, if applicable, together with the budget and statement of timeframe to complete it. Please also state that no physical or economic displacement will take place under the project until all affected persons are appropriately and adequately compensated for the losses that they incurred. Please indicate that the resettlement plan is EA's document formulated in consultation with ADB and project- affected persons

### **1. Project Description**

- 1.1 General description of the project, project components or subprojects
- 1.2 Identify the boundaries of the project areas and show them on a map. Describe project alternatives considered to avoid or at least to minimize land acquisition, and physical or economic displacement or both.
- 1.3 Indicate whether project-affected persons (APs) were consulted or at least informed about the alternatives considered and summarized their views and opinions regarding the chosen option.
- 1.4 Describe the main objectives of the Resettlement Plan.

### **2. Socioeconomic Conditions of Project Area and Affected Persons**

- 2.1 Describe briefly project activities that would necessitate land acquisition, displacement, and relocation – The write up should be supplemented by tables of socioeconomic data derived from SIA. The data are to be distilled from the social impact assessment, and not from national census data. Please present tabulated data as summaries.

<sup>1</sup> This Guidance note is based on ADB's requirement. The scope of RAP requirements may vary depending on the other DFI's requirements.

- 2.2 Summarize resettlement impacts and risks arising from project, subproject or component activities.
- 2.3 Include maps of the areas or zones of impact of project/subproject/components
- 2.4 Present a census or a 'population record' of all APs. Enumerate them according to location where they live and project component/subproject. If RP is based on a sample survey, please state the fact and indicate a census will be included in the final RP before implementing it. Please note that the information contained in the RP is tentative until a census of APs has been completed.
- 2.5 Include maps of population settlements, infrastructure, and natural resources such as vegetation, water resources, and land use patterns, as applicable with brief write-ups.
- 2.6 Please present gender disaggregated socio-economic data in data tables.
- 2.7 Indicate whether the project is based on a project feasibility study. If not, please do not overload the RP with country census data (which are often out-dated). Such general data has hardly any relevance to resettlement planning.
- 2.8 Indicated whether arrangements are in place to update the draft RP after detailed technical/engineering designs are completed, and to submit it to ADB for review and approval.
- 2.9 Indicate the cut-off date for compensation and other resettlement assistance, and if applicable, indicate separate cut-off dates for each project component/subproject. A statement on the cut-off date will be included in the RP.
- 2.10 Identify and record livelihoods at risk because of the lost and affected assets at the household and community levels, and assets of affected commercial establishments. Please pay attention to social, cultural, and economic impacts of such losses on APs. Include details of project impacts on natural resources and common property resources, if any and their implications. Check EIA/IEE of the project, if available, for additional data and information or consult environmental consultants for such data and information.
- 2.11 Please provide information on vulnerable groups or persons and communities who need special assistance. Indicate project impacts, if any, on the poor, indigenous people, ethnic minorities, and other vulnerable groups in project areas.
- 2.12 Gender impacts of the project - identify socio-economic conditions, impacts, needs, and priorities of women and also the relationship between men and women in economic, social and cultural spheres and how such relationship would impact on vulnerability, income restoration and benefit sharing.

### **3. Policy and Legal Framework**

This section is critical. Please include a review of the laws, regulations and guidelines that apply to land acquisition and resettlement by paying special attention to country safeguard systems, new laws and regulations.

- 3.1 National (or sub-national or state) land acquisition policies and legal frameworks for land acquisition, relocation and income restoration are to be succinctly presented. Compare them with ADB's Involuntary Resettlement Policy principles found in SPS 2009.
- 3.2 Please present measures to bridge the gaps between ADB and borrower's land acquisition/resettlement policies, preferably in a matrix.
- 3.3 Please avoid detailed discussion on draft policies and legal enactments on land acquisition, relocation and income restoration. However, references to such legal

instruments are sometimes useful to indicate an EA's orientation towards a resettlement policy.

- 3.4 Principles and methods for determining land and other asset valuation and compensation rates at replacement cost are to be enumerated. If there are several methods, please indicate which one applies to the project. Please provide a carefully arranged matrix of components of replacement cost. If replacement cost cannot be reached, please indicate how the EA plans to meet this key requirement –through resettlement assistance, bonuses, and incentives. Please do not gloss over this critical requirement. Most of complaints from APs relate to this issue.
- 3.5 Calculation of replacement cost may vary from DMC to DMC and project to project. The key ingredients of replacement cost are fair market value, transaction cost, interest accrued, transitional and restoration costs and other applicable payments. In calculating replacement cost of structures and dwellings, their depreciation will not be taken into consideration. Please refrain from using 'market value' or 'replacement value' in place of 'replacement cost'.
- 3.6 Compensation and resettlement assistance eligibility criteria are to be outlined. How and when cash compensation will be paid to APs is also to be explained. Please indicate whether husband and wife would get cash compensation, joint land deeds, and income and livelihood assistance. If not, what guarantees are there to ensure that women would not become vulnerable impoverished?
- 3.7 Carefully worded statement in RP is required about compensation, resettlement assistance, and relocation arrangements, if any, for tenants, leaseholders, wage workers, informal dwellers, squatters and encroachers. Please explain what their entitlements are and how they will be delivered to them in the context of the country's legal and administrative system. Prior agreement with EA is required in writing regarding these entitlements. Please pay special attention to entitlements of squatters, informal dwellers and informal employees in urban projects.
- 3.8 Discuss delays and key limitations envisaged in paying compensation. Please elaborate what specific safeguards are arranged to ensure that APs will get their entitlements before they are physically or economically displaced. In case of land-for-land compensation, the readiness for allocating land at relocation sites and details of resettlement assistance such as transport, basic facilities such as water and power are to be listed in RP.
- 3.9 Outline project impacts on women. Indicate whether local policy and legal framework is sufficient or not addressing such impacts. Also please outline what mitigation measures have been developed in consultation with women to mitigate any adverse impacts, if any, on them.
- 3.10 At the end of the section please present a list of land acquisition and resettlement principles distilled from all laws, regulations, guidelines and SPS.

#### **4. Scope of Land Acquisition and Relocation**

##### **Land acquisition**

- 4.1 Describe the scope of land acquisition (use maps) - why private, government, communal land is necessary for the project/subproject/component.
- 4.2 Describe alternative options considered and/or mechanisms established to minimize land acquisition. Explain why the proposed acquisition of land is unavoidable. Briefly state the impact of land acquisition on APs and their communities.

- 4.3 Describe the consultation process with agencies responsible for land acquisition and resettlement and with APs on land acquisition.
- 4.4 Explain envisaged obstacles such as delays in compensation payments, and the nature of tenure of land to be acquired (urban/rural; cultivated/uncultivated land). Broad time frames for such acquisition.
- 4.5 Provide details of government land, already acquired land (in anticipation of the project), and common properties that are affected (a table of data is useful).

## **Relocation Planning**

- 4.6 Indicate whether self-relocation is an option for APs – any special incentives?
- 4.7 The magnitude of resettlement requirements – number of households to be resettled and a list of resettlement sites – their adequacy and suitability.
- 4.8 Indicate whether land has already been identified for resettlement sites or under consideration or negotiations; time frame for allocation of land parcels to APs.
- 4.10 Description of the alternative relocation sites considered. Indicate whether the APs were consulted. Please include details on location, quality of site, and development needs. Indicate whether an environmental assessment was conducted at the relocation site.
- 4.11 Distance from original land and communities to resettlement sites. Would relocation generate socio-cultural and economic difficulties for APs? Pay special attention to vulnerable groups including women.
- 4.12 Specific responsibility for relocation site development – infrastructure, land deeds and land development.
- 4.13 Measures to prevent land speculation or influx of ineligible persons at selected relocation sites.
- 4.14 Please indicate timetables for site preparation and transfer. Arrangements to assist transfer and reestablishment of lives at relocation sites.
- 4.15 Legal arrangements to regularize tenure and transferring titles to resettlers.
- 4.16 Please outline plans for housing, infrastructure, and social and community services.
- 4.17 Describe special measures to address gender-related issues and special considerations for vulnerable groups at sites – security, access to employment.
- 4.18 Measures for planned integration of APs with host communities and plans to provide comparable services to host populations.
- 4.19 Measures to mitigate resettlement impacts on the host community – outline programs that would benefit both APs and the host community which in turn foster prospects for social integration.
- 4.20 Discuss briefly likely environmental impacts of the resettlement process. Environmental risks identification and arrangements for environmental management and monitoring (Please refer to EIA/IEE and EMP).

## **5. Information Dissemination, Consultation, and Disclosure Requirements**

- 5.1 Describe the activities undertaken to disseminate information on the project and participation mechanisms to support the consultation processes. This applies to all project stakeholders including APs, host communities, NGOs, local government and authorities. Such consultations could be combined with environment and indigenous peoples consultations for efficiency and better understanding of project impacts.
- 5.2 Outline consultation and information disclosure program in different stages of the

- project cycle.
- 5.3 Identify and describe stakeholders who will engage in consultations.
  - 5.4 Describe the institutional setup and financial provisions that will be provided for continuing consultation throughout the project cycle. Outline the potential roles of non-government organizations (NGOs), women's groups and community-based organizations (CBOs) in information dissemination and consultation processes.
  - 5.5 Indicate a timetable of disclosing the draft resettlement plan to all APs, and arrangement for disclosing updated and final resettlement plan, based on detailed design surveys.
  - 5.6 State the arrangements to post draft and final RP on EA and ADB websites.

## **6. Entitlements, Assistance and Benefits**

- 6.1 Define each key entitlement and eligibility – unit of entitlement: person, household, or community; losses and their corresponding entitlements; eligibility criteria for compensation, resettlement and income restoration assistance; final value for the property and assets acquired from APs; Identify gender-specific requirements, titling, compensation and other rehabilitation assistance payments, land transfer-related expenses, special assistance to vulnerable households.
- 6.2 Prepare an entitlement matrix based on the impact of the project and eligibility policies (see annex 1 for the suggested format)
- 6.3 Cluster each type of APs in the entitlement matrix for clarity. For example, list all entitlements such as replacement cost, housing, income restoration/improvement support to land titleholders followed by other categories such as share-croppers, land leaseholders, squatters.
- 6.4 Identify the responsibilities and present a firmed up schedule for compensation payments and provision of resettlement entitlements. Indicate who is responsible for delivering entitlements to APs.
- 6.5 Indicate the mode of compensation: land-for –land, cash-for-land, combination of the two, or negotiated settlement or land pooling. Justify the mode and indicate whether the mode of compensation has been discussed with APs and borrower.
- 6.6 Indicate institutional/legal issues pertaining to the entitlements and how these have been addressed (in brief)
- 6.7 Carefully check the entitlements listed in the entitlement matrix could be met by the resettlement budget and timeframe of RP.

## **7. Income and Livelihood Rehabilitation**

- 7.1 Describe how consultations already held and will be held with APs, CBOs and NGOs regarding income restoration planning and implementation.
- 7.2 Outline proposed income restoration programs. Please provide multiple options to restore and improve all types of livelihoods and income sources.
- 7.3 Discuss the appropriateness and sustainability of proposed income restoration/improvement programs
- 7.4 List employment creation plans, including provisions for income substitution, retraining, self-employment and pensions, where required. Please make sure to check with EA the feasibility and budget of such plans before including in RP.
- 7.5 Business relocation and restoration plan, including income substitution, where required. Please check with EA before including in RP.
- 7.6 Indicate possibilities in hiring APs at project sites. How to prioritize AP interests, if possible. (This should be based on discussion already held with project authorities)



- 7.7 Explain special measures, if any, to improve livelihood and income sources of disadvantaged and vulnerable households.
- 7.8 Outline special measures, if any, to provide skill training and income generation opportunities for women.

## **8. Institutional Framework**

- 8.1 Please use diagrams to summarize the institutional framework for implementing RP. This framework should be linked with the project implementation framework. The link should be shown in the diagrams.
- 8.2 Describe responsibilities of PMU, PIU, and Resettlement/safeguard Cells in implementing RP.
- 8.3 Indicate which agency/NGO will maintain a database of APs, inventories of assets, the progress in payment of compensation.
- 8.4 Detail the roles and responsibilities of organizations who will monitor resettlement activities.
- 8.5 Assess the institutional capacity of the organizations and agencies linked with implementing RP.
- 8.6 Assess (in brief) the availability of logistics, finance, staff and other necessary facilities for RP implementation.
- 8.7 Role of NGOs, if involved, and organizations of affected persons in resettlement planning and management. Discuss the involvement of women's groups in resettlement planning, management and operations, and income generation.
- 8.8 Arrangements, if any, to hire female staff by the resettlement agency/cell to work with and assist women APs in resettlement activities, including planning and implementation of income restoration programs.

## **9. Grievance Redress Mechanisms**

Please examine whether GRMs are required for the implementation of environment and indigenous peoples plans. It is always a good practice to establish one GRM for all safeguards. If the project team decides to establish a separate GRM for RP, the following information is required in the RP. The GRM should be scaled to reflect the level of project impacts. Sufficient attention is to be paid to its transparency especially in the appointment of GRM members, easy to follow procedures, using of vernacular for the benefit of all APs, and gender responsive. At least 20% of GRM membership should be held by women APs.

- 9.1 Description of the grievance redress mechanism or framework (informal and formal channels) that will be put in place by the project.
- 9.2 Provide a detailed diagram of the GRM process.
- 9.3 Please describe how GRM would feed information to EA to share with internal and external monitors.
- 9.4 Briefly describe time frame and mechanisms for resolution of complaints about resettlement.
- 9.5 Indicate the appeal procedures.
- 9.6 How to coordinate with other environment and IP GRMs, if any, to reduce duplication and time consumption in dispute resolution.
- 9.7 Arrangements to inform APs about the GRM.

## **10. Resettlement Budget & Financing Plan**

- 10.1 Itemize budget for each resettlement activity. All items including GRM, monitoring (internal and external), consultation, host community participation are to be included as budget items with sufficient allocations after consultation with EA/IA and APs.
- 10.2 Justify assumptions regarding calculating compensation rates and other cost estimates (taking into account both physical and cost contingencies), and replacement cost.
- 10.3 Include information about the source of funding of the RP budget.
- 10.4 Include a detailed compensation payment plan and a schedule. Please make sure the plan and the schedule synchronize with the project's schedule of construction of civil works.
- 10.5 All cost of compensation, relocation, and livelihood rehabilitation will be considered project costs. If the borrower plans to include resettlement costs in the project loan, special arrangements are to be included in RRP with a dedicated budget. This needs prior approval of ADB management.

## **11. Implementation Schedule**

- 11.1 Please provide an implementation schedule covering all aspects of resettlement activities including land acquisition, compensation payment, relocation and rehabilitation. The schedule should indicate how the resettlement activities are linked to the implementation of the overall project.
- 11.2 Time bound actions for projected activities to ensure that APs are compensated and assisted before award of civil works contracts or similar milestone, ensuring as a minimum that affected people will be provided with entitlements, such as land and asset compensation and transfer allowances, prior to their displacement
- 11.3 Resettlement Supervision Milestones included and updated regularly. Please see Appendix 2.
- 11.4 Please verify implementation schedule against loan covenants to avoid inconsistencies.

## **12. Monitoring & Reporting**

Please do not include complicated monitoring system for small-scale resettlement plans. The monitoring framework should commensurate with the significance of resettlement impacts of a project, subproject or a project component. A budget for monitoring and reporting should be first agreed with EA.

### **Internal Monitoring:**

- 12.1 Outline arrangements to monitor resettlement implementation, including impacts on women
- 12.2 State the strategy to monitor the impacts of land losses and resettlement for a reasonable period after all the resettlement and development activities have been completed.
- 12.3 A list of key monitoring indicators and their sub-indicators (these are to be developed in consultation with EA/IA to ensure their suitability, applicability and budgetary allocations
- 12.4 Reporting arrangements to ADB, EA and IAs
- 12.5 TOR for monitors, if the project hires internal monitors
- 12.6 Web posting at EA, IA, ADB – responsibility and time frame

## **External Monitoring**

- 12.7 Arrangements for hiring an external monitor.
- 12.8 TOR of the external monitor (as an annex to RP)
- 12.9 Reporting plan – timetable of submission of reports – six monthly
- 12.10 Specific arrangement to facilitate APs' participation in external monitoring.
- 12.11 A list of key monitoring indicators
- 12.12 Reporting arrangement to ADB, EA and IAs.
- 12.13 TOR for external monitors. If an independent advisory panel (for a complex and sensitive project) is to be appointed, please prepare a TOR for the resettlement expert.
- 12.14 Web posting at EA and ADB—responsibility and time frame

## ANNEX S-7: SCOPE OF TRIBAL DEVELOPMENT PLAN

<b>Executive Summary</b>	
<b>I.</b>	<b>Background and context</b>
a.	The project and project components
b.	Relevant state legal framework
c.	Baseline data of tribal peoples in the project area
i.	maps of the area of project influence and the areas inhabited by tribal peoples
ii.	brief analysis of the social structure and income sources of project affected tribal peoples
iii.	information on relevant cultural practices and patterns
iv.	relationship of tribal peoples to other local/national groups
d.	Key positive project effects on tribal peoples
e.	Key negative project effects on tribal peoples
<b>II.</b>	<b>Development and/or mitigating activities</b>
a.	Describe details of development (e.g. benefits-sharing) activities
b.	Describe details of mitigating activities
<b>III.</b>	<b>Strategy for tribal peoples participation</b>
a.	Describe mechanism for participation by tribal peoples in planning, implementation, monitoring, and reporting
b.	Describe procedures for a project-related grievance procedure
<b>IV.</b>	<b>IV. Institutional arrangements - implementing agency (IA)</b>
a.	Identify main tasks and responsibilities in planning, managing, and monitoring development and/or mitigating activities
b.	Identify role of NGOs or tribal peoples organizations in implementing the development and/or mitigating activities
<b>V.</b>	<b>Budget and financing</b>
a.	Identify development and/or mitigating activity costs (including contingency funds) and funding resources
b.	Provide detailed cost estimates for planned activities and investments, such estimates should be broken down into unit costs by project year and linked to a financing plan
<b>VI.</b>	<b>Supervision/Implementation</b>
a.	Specify arrangements for supervision of TDP, e.g. annual reports, inspections
<b>VII.</b>	<b>Monitoring</b>
a.	Prepare a plan for internal and independent monitoring of the targets of the major development and/or mitigating activities related to tribal peoples

### Note on Tribal Development Plan Preparation<sup>1</sup> (Based on ADB Indigenous peoples Safeguard Policy)

#### Titles/Labels

1. Indigenous peoples are labeled variously in different DMCs as ‘tribes’, ‘tribal people’, ‘peoples’, ‘scheduled tribes’, ‘primitive tribes’, ‘cultural minorities’, and ‘ethnic minorities’. Please be careful to use the local official labels such as tribal, tribal peoples, *janajathi*, and ethnic minorities instead of ‘indigenous peoples’ in TDPs to refer to them.

<sup>1</sup> This Guidance note is based on ADB’s requirement. The scope of TDP may vary depending on the other DFI’s requirements.

## **Triggers of Indigenous Peoples Policy**

2. A lot of preparatory work precedes the formulation of a Tribal Development Plan (TDP). In case a proposed project is probable to impact on tribal peoples, the most important task at the initial phase of project planning is to determine whether these communities are tribal peoples or not. The second task is to determine whether or not their presence in the proposed project area would trigger safeguard policy requirements applicable to tribal peoples. Generally, if their ancestral domain, specific dialect, control over some natural resources, and religio-cultural identity with a specific location are not affected, the project team might consider the desirability of considering them as a vulnerable group which would give them guaranteed and specific project benefits.

3. Unlike involuntary resettlement and environment safeguard policies, tribal peoples safeguard policy gets triggered by positive and adverse project impacts. Therefore, the project team or consultants should determine, based on the information and data available, whether or not the project-affected population triggers the tribal peoples safeguard requirements. The widespread notions that if tribal peoples are 'mainstreamed' it is not necessary to formulate a TDP is incorrect. The phrase 'mainstreamed' does not convey any information about tribal peoples, as even after the so called mainstreaming they continue to be tribal peoples (TP). If the phrase means that TP are not different from others in economic status, still TDP has to be prepared as their vulnerabilities arise from social and political arenas in addition to economic arena. In countries such as India, TP are entitled to special recognition and support regardless of their current economic status, because the Constitution recognizes them as vulnerable communities who need constitutional safeguards. In such a situation, a project will have an TDP or a special action plan built into another social action plan such as resettlement plan or community action plan to ensure that the project's adverse impacts on them are avoided or at least minimized, and that they will have equal opportunities to benefit from the project.

### **Need for an TP Expert**

4. The project should engage qualified and experienced indigenous experts to advice on the above complex issues at the outset. A wrong decision regarding the identity and rights of a TP would exclude a vulnerable category of people from receiving project benefits. The selection of a qualified and experience TP expert is the responsibility of the project proponent in consultation with safeguard specialist of ESMU of IIFCL. If a project has significant TP impacts, please consider the possibility of retaining the TP specialist at planning and implementation phases of the project.

### **Social Impact Assessment**

5. A key weakness in an TDP is its poor socioeconomic database. Often national or regional TP census data and information are used as a substitute for findings of a SIA. This creates difficulties in determining whether the presence of TP triggers the TP safeguards, and the need for seeking free, prior, informed consent of affected TP. These issues re-emphasize the importance of hiring a qualified and experienced expert to plan and conduct the SIA. Possibility of formulating a combined SIA for IR and TP should also be considered, if the majority of PAPs are TP who lose land and other property to the project. A resettlement plan holds some legal validity, especially when it is a part of an EIA.

6. In India, tribal groups characterized by vulnerability are ranked according to their poverty and constitutional rights. For example, tribal peoples are categorized into scheduled and non-

scheduled tribes; similar categorization is applied to castes – scheduled and non-scheduled. Occasionally, ‘primitive tribes’ is found in literature especially in Kerala state. As vulnerability is the key characteristic of indigenous peoples, the team should get an expert opinion on how to disentangle such mixed social groups for the SIA and TDP. It is necessary to assess and validate which TP groups will trigger TP safeguard principles and to state in the SIA.

7. A key set of questions in SIA is (a) whether the proposed project would have any impact on land use/ownership, cultural heritage of communities and indigenous knowledge such as medicinal plants, and natural resources found in the areas where TP live. Some of these anticipated impacts may require FPIC exercises to seek broad community support for the project. The ideal time to hold FPIC exercise, if required, is during the SIA.

8. Data and information collected through questionnaires, focus group discussions, consultations, and unstructured interviews should be analyzed and presented in tabular form with necessary explanations in the main text of TDP. Detailed data tables are to be included as an annex of TDP. The reader of TDP should be able to understand the scope of the project, its impacts on TPs and others, and the geographical boundaries of such impacts.

### **Consultations, Participation and Information Disclosure**

9. Generally consultation and participation of TP in the formulation of an TDP do not get sufficient attention during the formulation of an TDP. Just to talk to TP and to collect their socioeconomic information would not satisfy these requirements. Although preliminary consultations can be done during SIA, consultations and SIA are two distinct planning activities, although some overlap could be expected. It is desirable to combine consultations on environment and resettlement with TP consultations.

10. All consultations with TP are supposed to be ‘meaningful’ consultations. The process of *meaningful* consultations has several characteristics which fieldworkers who conduct SIA should know of: (1) it is a process which continues throughout the project cycle – not a few *ad hoc* meetings with TP; (2) disclosure of relevant project information to all TP; (3) consultations are to be conducted in a friendly and accommodative style without intimidation or coercion; (4) consultations should be gender-sensitive, inclusive, and responsive to needs of all disadvantaged groups; and (5) consultations should generate sufficient data, information and views and recommendations from TP which would facilitate knowing, sharing and incorporating their views, aspirations and concerns in planning and implementing the project.

### **Free, Prior, Informed Consent (FPIC)**

11. FPIC is a cluster of concepts each of which has a specific meaning. Please know the correct meaning of the concepts. ‘Free’ means dedicated discussions with TP without any coercion or intimidation or promises. ‘Prior’ means consultations before the selection of the location of a project or before determining a project proposal as final. Having selected a project site and then to consult people will not facilitate FPIC seeking exercises. This is especially important because if the majority says ‘no’ to a project during FPIC, ADB will not fund it. ‘Consent’ is an agreement. This is known as ‘broad community support’. The Policy says that broad community support may exist even if some individuals or groups object to the project activities. This is a matter for TP specialist to determine. Please note that the World Bank use the last letter of FPIC, that is, ‘C’ to mean ‘consultation’. But at ADB, the focus is on ‘consent’. There is a big difference between the two. The World Bank is now trying to embrace ‘consent’.

12. Three key factors could trigger the need for FPIC: physical displacement of indigenous peoples is the most common factor. If displacement and relocation are components of a proposed project, it is necessary to obtain FPIC of affected TP. Please check whether or not such acquired land fall into the category of ancestral domain of the peoples. Sometimes, TP live and earn their livelihood on state land or private lands of others. Such lands are not ancestral lands. This is somewhat vague and difficult to determine in a community. For example, when a commercial company plans to produce a drug using a plant found in the area which is being used by communities as a remedy for an illness, it should obtain TP's consent.

13. If FPIC is required, the team should determine the methodology of conducting FPIC, cost and resources requirements. With FPIC, a project processing phase could get longer. This possibility should be considered at the stage of selecting an area for a project.

14. A key problem in conducting FPIC is how to choose a sample of TP. It is difficult to select a representative sample from scattered and somewhat reluctant/shy tribal or indigenous peoples. A cost effective way of choosing respondents for interviews, consultation and consent-seeking is to look for tribal/indigenous community level organizations/agencies in the project area. If leaders or representatives of such organizations are identified, the process of FPIC could be done consulting a sample of such leaders. If the number of such leaders is small, all of them could be invited for FPIC exercise. Please make sure to provide them with transport and food when invited for FPIC exercises. There should be a budget for this purpose in PPTA or consultation program.

15. FPIC is a complicated process which needs careful planning and note taking. The note takers of recorder(s) should be impartial and trained in note taking and summarizing complicated statements made by respondents. Debates and disagreement are part of the process – this means the ability to listen and to extract the meaning of seemingly contradictory and meaningless statements and arguments.

16. Usually full consensus for a proposed project cannot be reached through FPIC process. Therefore, ADB look for a broad community support for the project. This is decision of TP expert not the borrower/client.

17. At the end of FPIC exercise, the borrower will submit full documentation of the discussions and decisions to ADB for review. ADB can conduct its own investigation in order to assure itself of the existence of broad community support for the project among TP. ADB find such documentation is at best fragmentary and incomplete. The documentation submitted to ADB for review should be complete, comprehensively written with a short analysis of data and information. ADB will use the documentation to form its own opinion and to conduct further investigations.

### **Project Benefits to Indigenous Peoples**

18. ADB recognizes TP's vulnerability in development process. It therefore wants to ensure that TP have opportunities to *participate in* and *benefit equally from* projects that affect them. A key objective of an TDP is to identify such opportunities and make them into realities; otherwise, there is a very high probability that non-TP population would usurp project benefits from vulnerable, marginalized, and often illiterate TP.

19. A comprehensive SIA and results of FPIC exercise (if applied) together with the project proposal indicate how the project could benefit affected TP and what obstacles are to be

overcome. The TDP should elaborate the benefits that TP are supposed to receive from the project and what actions are necessary to ensure that they could reap them. Usually this key section is missing in many TDP. A cursory statement on benefits is found in categorization forms which are often not based on field findings. Project benefits should be tangible. For example, a hydropower project could provide electricity to an affected TP community. Electricity would help children to study more hours after school. Electricity would certainly impact on gender relations and employment patterns as well.

20. Project benefits that accrue to TP in a project area should culturally be appropriate and gender responsive. This is difficult to achieve unless a thorough knowledge of local culture and social organization is acquired. 'Culturally appropriate' means location-specific social and cultural values who would sustain the community; they certainly not offend the community or disintegrate it. Such values are to be elicited through consultations with affected TP. Gender relationships may vary from community to community. They should also be carefully examined before recommending activities that could bring benefits to TP. Sometimes women hold key sacred items/symbols such as sacred rice in a farming TP community. If their farming land is acquired for a project, women not only lose the custody of the sacred rice, but also their top position in the social hierarchy.

### **Mitigation Measures**

21. An important aspect of making a project beneficial to TP is to mitigate any adverse impacts that cannot be fully avoided. In case of TP, such measures are more related to environmental planning than to resettlement or social development. A project that will have impacts on TP's fishing in a river or hunting in a forest should view such resources as natural resources over which TP have rights which are recognized by the international law. It is much easier to provide safeguards to such interests and rights of TP in an EIA than in a resettlement plan. It is helpful if a detailed analysis and a set of recommendations are included in the EIA and a summary in the TDP. This is a good example of the possibility of integrating environmental safeguard policy requirements with social safeguard requirements instead of juxtaposing them.

22. In a TDP, a key mitigative measure would be how to resettle physically displaced TP. In this scenario, the critical requirement is obtaining TP's consent. When consent is obtained and recorded, it is necessary to find land where they could be resettled. Their resettlement requires a higher threshold of preparation. They cannot be paid cash compensation and expected to find new land. They are too vulnerable to do so. They do not know the land market and have weak links with local administration. Normally they would like to continue their traditional or customary livelihoods. It is the responsibility of the borrower/client to ensure that adequate, good quality replacement lands are provided to them. Unless such land is found before the displacement, the project should proceed further. On the other hand, if TP are happy to receive cash compensation and self-relocate, an independent committee should verify their majority decision and provide adequate cash compensation promptly. Ideally willing buyer-willing seller mode of land acquisition could be used. But this is possible only when TP do not claim over the project land as their ancestral domain.

23. Mitigative measures take two forms: community or group measures, and individual measures. In TP communities, customary laws govern most of community resources under the general umbrella of 'ancestral domain'. This means even if an individual were willing to sell his land to a project, the community as a whole has a right to stop the individual. This community right is a general legal norm in India (please see the Forest Rights Act of 2006).



24. A key function of FPIC is to determine community rights and individual rights when land is acquired for a project and to work out how to distribute compensation and other benefits among affected TP.

### **Institutional Arrangements**

25. TDP will outline who will implement it and who will provide budget and financial assistance. In some projects, a distinction between Central Government and states/local authorities is relevant regarding TP issues and budgetary allocations. A clear demarcation of functions of different authorities and agencies are to be elaborated in TDP.

26. TDP will indicate whether TP organizations, NGOs and CBOs would participate in implementing it. TORs of each category will be listed as an annex to TDP. In a complex and significant project, TOR of panel of experts will also be included in the annex.

27. During the formulation of a TDP, it is necessary to check whether or not a separate cell within PIU is required to attend to TP issues. If required, a TOR and a budget for an TP specialist at PIU are to be included.

28. An itemized budget for all activities, compensation, rehabilitation, personnel, and monitoring will be in TDP. If TDP is combined with a resettlement plan, cost of compensation, relocation and rehabilitation of affected TPs will be distinguished from other budgetary items.

### **Capacity Building**

29. It is necessary to probe the Constitution, local legal systems, regulations and court decisions pertaining to TP's rights, duties and identity and recognized control over some territories. This is a specialist's job. The TP expert should prepare a dossier of such laws and regulations and use it to review the potential project impacts on TP, how to mitigate them, and ensure TP get project benefit.

30. When domestic laws are silent on or against the classification of a population into TP and non-TP, the project team with the assistance of TP expert should develop some guidelines on TP issues of the project which could later be developed into regulations or laws. Thus TDP contributes to the development of country safeguard system for TP safeguards.

31. The consultants should look for TP organizations at the local, regional and national level to discuss, understand and report on TP groups, their interests and rights and their key characteristics that distinguish them from other communities. Such reports in short term facilitate project activities pertaining to TP, and in long-term build up institutional capacity of borrowers/client to identify TP and to plan projects to benefit them.

### **Grievance Redress Mechanism**

32. The establishment of one grievance redress mechanism for environment, resettlement and indigenous peoples safeguard issues is the ideal. However, if TP issues are significant and complex, a separate GRM could be establish to deal with TP issues only.

33. During consultations and exercises on FPIC-seeking, the consultants/safeguard specialist of the project team should discuss with TP the nature and the level(s) of grievance redress mechanism and the manner in which redress is ensured.

34. The project team should seek the advice of TP expert and the views of TP representatives on GRM before finalizing the GRM structure and organization.

35. The rules and structure of the GRM have to be included in TDP. In case one GRM is established for environment and social safeguards, the rules and organizational structure of the GRM pertaining to each safeguard area is to be listed in TDP.

### **Monitoring**

36. The degree of monitoring of TDP implementation will commensurate with the complexity and significance of project impacts on TP. Detailed and costly monitoring system should not be established unless the need for such a system is first examined and agreed with the borrower/client.

37. TDP will list primary and secondary monitoring indicators and describe the monitoring structure and how it links with other monitoring programs of the project proponent. It will also discuss the degree of participation of TP representatives, frequency of monitoring reporting, and web posting.

38. In a project with complex and significant TP issues, a panel of experts will do its external monitoring. The frequency of meetings, reporting, key issues the panel will monitor and its membership are to be included in TP. A monitoring budget is to be included in TDP and it should be reflected in the overall project budget.

## **ANNEX S-8: INVOLUNTARY RESETTLEMENT AND TRIBAL PEOPLES SAFEGUARDS– GOVERNMENT OF INDIA POLICY AND LEGAL FRAMEWORK**

### **A. National Rehabilitation and Resettlement Policy, 2007 (NRRP-2007)**

1. The National Rehabilitation and Resettlement Policy, 2007 (NRRP-2007) was adopted by the Government of India in 31st October, 2007 to address development-induced resettlement issues. The policy provides for the basic minimum requirements, and all projects leading to involuntary displacement of people must address the rehabilitation and resettlement issues comprehensively. The State Governments, Public Sector Undertakings or agencies, and other requiring bodies shall be at liberty to put in place greater benefit levels than those prescribed in the NRRP-2009. The principles of this policy may also apply to the rehabilitation and resettlement of persons involuntarily displaced permanently due to any other reason. The objectives of the National Rehabilitation and Resettlement Policy are as follows:

- (i) to minimize displacement and to promote, as far as possible, non-displacing or least-displacing alternatives;
- (ii) to ensure adequate rehabilitation package and expeditious implementation of the rehabilitation process with the active participation of the affected families;
- (iii) to ensure that special care is taken for protecting the rights of the weaker sections of society, especially members of the Scheduled Castes and Scheduled Tribes, and to create obligations on the State for their treatment with concern and sensitivity;
- (iv) to provide a better standard of living, making concerted efforts for providing sustainable income to the affected families;
- (v) to integrate rehabilitation concerns into the development planning and implementation process; and
- (vi) where displacement is on account of land acquisition, to facilitate harmonious relationship between the requiring body and affected families through mutual cooperation.

### **B. Land Acquisition Act (LAA), 1894**

2. The Act provides a framework for facilitation of land acquisition within the country. The Act enables the state to acquire private lands for public purposes. The Act ensures that no person is deprived of land except under the Act and entitles the landowner/APs to a hearing before acquisition. The salient features of the Act are given below.

- (i) Land identified for the purposes of a project is placed under Section 4 of the LAA. This constitutes notification. Objections must be made within 50 days to the DC.
- (ii) The land is then placed under Section 6 of the LAA. This is a declaration that the government intends to acquire the land. The DC is directed to take steps for the acquisition and the land is placed under Section 9. Interested parties are then invited to state their interest in the land and the price. Under Section 11, the DC shall make an award within one year of the date of publication of the declarations. Otherwise, the acquisition proceedings shall lapse.
- (iii) In case of disagreement on the price awarded, within six weeks of award, the parties (under Section 18) can request the DC to refer the matter to the courts to make a final ruling on the amount of compensation.
- (iv) Once the land has been placed under Section 4, no further sales or transfers are allowed. However, since the time lag between Sections 4 and the others

- following it is about 3 years, land transfers are not uncommon.
- (v) Compensation for land and improvements (such as houses, wells, trees, etc.) is paid in cash by the project authorities to the state government, which in turn compensates landowners.
  - (vi) The price to be paid for the acquisition of agricultural land is based on sale prices recorded in the district registrar's office averaged over the three years preceding notification under Section 4. The compensation is paid after the area is acquired, actual payment by the state taking about 2 or 3 years. An additional 30% is added to the award as well as an escalation of 12% per year from the date of notification to the final placement under Section 9, an additional 9% per annum is paid for the first year and 15% for subsequent years.

**C. Involuntary Resettlement Policies of DFIs (ADB IR Policy is indicative of other DFIs' IR policies)**

3. The three important elements of the IR policy are (i) compensation to replace lost assets, livelihood, and income; (ii) assistance for relocation, including provision of relocation sites with appropriate facilities and services; and (iii) assistance for rehabilitation to achieve at least the same level of well-being with the project as without it. Some or all of the elements may be present in a project involving IR.

4. See **Annex S-6** on guidance for formulating a Resettlement Plan.

**D. Scheduled Caste and Scheduled Tribes (Prevention of Atrocities Act), 1989**

5. This Act prevents the commission of offences of atrocities against members of the Scheduled Tribes and Castes and provides for a special court for the trial of offences against SCs and STs. It also provides for the relief and rehabilitation of victims of such offences.

**E. Panchayat Extension to Scheduled Areas Act (PESA), 1996**

6. *Panchayat* Extension to Scheduled Areas Act was passed in 1996. The act is meant to enable tribal society to assume control over their resources and development. The provisions of the 73<sup>rd</sup> Amendment, with some modifications, were extended to the tribal areas under Schedule V in the States of Andhra Pradesh, Bihar, Gujarat, Himachal Pradesh, Maharashtra, Madhya Pradesh, Orissa, and Rajasthan.

**F. The National green Tribunal Act, 2010**

7. An Act to provide for the establishment of a National Green tribunal for the effective and expeditious disposal of cases relation to environmental protection and conservation of forests and other natural resources including enforcement of any legal right relating to environment and giving relief and compensation for damages to persons and property and for matters therewith or incidental thereto.

**G. Tribal Peoples Safeguard Policies of DFIs (ADB's Indigenous Peoples (IP) Policy is indicative of other Lenders' IP Policies)**

8. Policy ensures that projects affecting tribal (indigenous) peoples are (i) consistent with the needs and aspirations of affected TP; (ii) compatible in substance and structure with

affected TP culture and social and economic institutions; (iii) conceived, planned, and implemented with the informed participation of affected communities; (iv) equitable in terms of development efforts and impact; and (v) not imposing the negative effects of development on IP without appropriate and acceptable compensation.

9. Please see **Annex S-7** for detail guidance on how to prepare a TDP.

## **ANNEX S-9: CHECKLIST OF DOCUMENTATION REQUIRED FOR PREPARATION OF SDDR UNDER TAKEOUT FINANCE SCHEME**

### **Documents required:**

Copies of

- Social impact Assessment
- Resettlement Action Plan/Resettlement Plan
- Tribal Development Plan, if available

### **Following details are also required:**

- Any pending litigation regarding land acquisition Any tribal peoples affected due to project;
- Any Compensation related issues;
- Any physical displacement of people;
- Local Employment generated during construction as well as operation phase;
- Any grievances pending and grievance redressal mechanism;
- Details of any special effort taken by project developer or project facility provided (like underpasses, service road etc.) due to public demand ;
- CSR activities undertaken.

## **ANNEX S-10: SUGGESTED OUTLINE OF SOCIAL DUE DILIGENCE REPORT FOR SUBPROJECTS**

### **Introduction**

1. Investment description: investment title, type of investment, location and setting, amount, size (production capacity, number of staff)
2. Social categorization and rationale
3. Applicable Social Requirements. (Policies applicable for SIA/RAP/TDP)

### **Scope of Review and Methodology**

1. Documents reviewed (e.g. Resettlement Action Plan, Tribal Development Plan , or social Compliance Audit Reports, copies of gazette notifications)
2. Methodologies used (Site visits, inspection report, etc.)

### **Compliance and liability (by relevant safeguard requirements applicable for the specific investment, examine social issues and compliance)**

1. Examine issues in terms of Social concerns, involuntary resettlement and indigenous/Tribal peoples impacts, mitigation measures to address these issues (or corrective action plan for existing facilities) and compliance status with applicable DFIs social safeguard requirements and national laws, regulations, and standards:

#### **(i) Social Safeguards**

- appropriate identification of major anticipated Social impacts and risks
- adequacy of Social assessment (for category A investments, including the adequacy of alternative analysis)
- compliance status with applicable requirements on (i) information disclosure, (ii) consultation with affected persons and other stakeholders, (iii) occupational and community health and safety, employment generation and sustainable livelihood generation management, and common property resources
- adequacy of mitigation measures (mitigation measures, monitoring and reporting, institutional arrangement, R&R budget and status of the budgeted amount)

#### **(ii) Involuntary Resettlement Safeguards**

- appropriate identification of major anticipated involuntary resettlement impacts and risks (including both physical displacement and economic displacement)
- adequacy of assessment of social impacts, information disclosure and consultation with affected persons and other stakeholders
- adequacy of compensation and benefits for displaced persons
- adequacy of resettlement plan (measures to enhance or restore the livelihoods of displaced persons, monitoring and reporting,

institutional arrangement, budget), or corrective action plan for existing facilities, if any

- private sector responsibilities under government-manages resettlement

(iii) Indigenous/Tribal Peoples Safeguards

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

(iv) Adequacy of grievance redress mechanism arrangements

2. Recommend mitigation measures, or corrective action plans, if gaps are identified

3. State any risk control or mitigation measures to be taken by the investment, such as conditions, loan covenants or monitoring and reporting requirements

**Other investment specific issues, if any**

**Conclusion and Recommendations**



## **ANNEX S-11: DRAFT TOR FOR AN EXTERNAL AGENCY FOR MONITORING AND REPORTING**

### **A. Objective/Purpose of the Assignment**

1. Monitoring is an integral part of both the resettlement process and of a Tribal Development Plan (TDP). The agency will be involved in ongoing monitoring of resettlement implementation and/or of a TDP. The objectives of external monitoring and reporting are to review implementation and assess the (i) achievement of resettlement and/or TDP objectives, (ii) changes in living standards and livelihoods and restoration of economic and social base of the APs, (iii) the effectiveness, impact, and sustainability of entitlements, and (iv) need for further mitigating measures, if any. External monitoring and reporting should also enable the executing agency to make timely decisions on corrective measures needed to implement resettlement and/or the TDP effectively and learn strategic lessons for future policy formulation and planning.

### **B. Qualifications**

2. The selected organization should be of high professional standing and have a strong track record in the field of social development, resettlement, and tribal development. It should also have a proven record in project monitoring and be able to demonstrate adequate resources.

### **C. Scope of Work**

3. The major tasks expected from the external monitoring are

- (i) Review and verify internal monitoring systems and findings.
- (ii) Conduct independent investigations of project implementation, including PIUs, local offices, and consultations with village leaders, NGOs, and affected persons, especially women and vulnerable groups.
- (iii) Prepare independent reports based on monitoring visits.
- (iv) Suggest major recommendations for remedial actions.
- (v) Identify lessons learned.
- (vi) Maintain database of independent surveys.
- (vii) Suggest remedial actions with time-based outputs.
- (viii) Certify compliance with requirements of RP and/or TDP.
- (ix) Share the major lessons from the process both in terms of success and failure.

### **D. Detailed Tasks**

4. Prior to commencement, prepare a monitoring plan giving details on

- (i) Aim and scope of monitoring system
  - Setting up the objectives of monitoring
  - Defining the monitoring system and monitoring cycle
  - Defining the scope of monitoring
- (ii) **Monitoring strategy.** The general approach to be used to monitor activities and results ensuring participation of all stakeholders, especially women and vulnerable groups.

- (iii) **Project results.** A summary of the major project activities, expected results, and the indicators to be used to monitor the progress and achievement of results.
- (iv) Defining and selecting indicators
  - Identify key indicators to be monitored
  - Indicators for each stage of project implementation
  - Gender-disaggregated indicators
  - Select only those which are simple, specific, and verifiable
- (v) Collection and Analysis of Data
  - Method of data collection
  - Sampling (20% of affected persons)
  - Analysis
- (vi) Verify the internal monitoring process and reporting by executing agency (EA) through field visits and independent investigations.
- (vii) Assess the extent to which the resettlement plan and/or TDP is being followed and objectives being met.
  - Institutional arrangements
  - Adequacy of the Management Information System
  - Payment of compensation, adequacy of budget, and timeliness of payment
  - Land readjustments
  - Consultation and information dissemination
  - Preparation and adequacy of resettlement sites
  - House construction
  - Provision of employment, its adequacy, and income levels
  - Training
  - Gender impacts
  - Rehabilitation of vulnerable groups
  - Infrastructure repair, relocation, or replacement
  - Enterprise relocation, compensation, and its adequacy
  - Transition allowances
- (viii) Monitor the different stages of the project with specific and need-based framework.
- (ix) Monitor the quality, effectiveness, efficiency, and sustainability of the resettlement and/or TDP efforts.
- (x) Monitor the process undertaken by subborrower for implementing resettlement and/or TDP and develop a framework for process monitoring.
- (xi) Highlight the major problems being faced and limitations of implementing the RP and/or TDP and identify corrective measures needed to implement resettlement and/or the TDP effectively.

## **E. Methodology**

- (i) Study the baseline data on income and expenditure, occupational and livelihood patterns, arrangements for use of common property, social organization, leadership patterns, community organizations, and cultural parameters from the available reports.
- (ii) Identify an appropriate set of indicators for gathering and analyzing information on resettlement and/or TDP impacts, the indicators shall include but not be limited to issues such as payment of compensation, relocation, and resettlement assistance, delivery of entitlement packages, restoration of income, and living standards, level of satisfaction by the affected persons, and the quality of resettlement operations.
- (iii) Review results of internal monitoring and verify claims through random checking at the field level to assess whether resettlement and/or TDP objectives have been generally met. Involve the affected persons and community groups in assessing the impact of resettlement for monitoring and reporting purposes.
- (iv) Conduct both individual and community level impact analysis through the use of formal and informal surveys, key informant interviews, focus group discussions, community public meetings, and in-depth case studies of affected persons from various social classes (e.g. scheduled caste, scheduled tribes, other backward castes) to assess the impact of resettlement.
- (v) Identify the strengths and weaknesses of the resettlement and/or TDP objectives and approaches, implementation strategies, including institutional issues, and provides suggestions for improvements in future DFI-funded resettlement planning and implementation.

## **F. Reporting Requirements**

- (i) Monitoring Plan
- (ii) Quarterly reports for large-scale projects reducing over time
- (iii) A baseline survey data report prior to commencement
- (iv) A semi-annual or annual report during resettlement implementation
- (v) Annual monitoring reports for at least two years or until resettlement has been declared successfully completed, if there is no TDP
- (vi) Final Monitoring Report

## **ANNEX S-12: SUGGESTED SCOPE FOR AN ANNUAL SOCIAL MONITORING REPORT FOR SUBPROJECTS**

### **A. Investment Name and Summary Information**

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

### **B. Relevant Social Safeguards documents**

- (i) Issued by government agency(ies) (include name of agency)
- (ii) Issuance dates and duration of validity
- (iii) Gazette Notifications for land acquisition
- (iv) ROW land hand Over letter from NHAI(in case of highway projects)

### **C. Grievance Redress Mechanism**

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

### **D. Social Management Capacity**

- (i) Number of staff, qualifications and experience in social management
- (ii) Frequency of Social monitoring/supervision/audit by subproject team to the site
- (iii) Awareness of: (i) national environmental and social laws and regulations, and (ii) applicable DFIs' social safeguard requirements
- (iv) Training programs carried out
- (v) Assessment of social management capacity needs (including planned capacity building programs)

### **E. Stakeholder Consultation**

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

### **F. Compliance with Social Safeguard Requirements**

Total number of project affected persons/households, number of affected ST families and additional assistance provided to them; details of the affected public properties, and initiatives taken for their relocation/ compensation.

Implementation status of the RAP at the construction and/or operations phases of the subproject. Special attention is to be paid to mitigation measures and their monitoring programs. Adequacy of RAP's budget in meeting compensation and resettlement assistance programs; current expenditure status of resettlement. Status of compensation payment to affected persons including to encroachers and squatters.

**G. Other Information and Feedback**

Please list any other information that may relate to social matters, community initiatives within your company, positive media or NGO attention, training activities, management system initiatives or cost savings through process efficiency and socially viable processes.

**Name and Signature**

Name:

Date:

Position:

Phone:

Signature:

E-mail:

**ANNEX S-13: ANNUAL SOCIAL AUDIT RECORDING SHEET ON THE APPLICATION OF  
THE SOCIAL SAFEGUARD SYSTEM  
(THE FORM WILL CONTINUE FOR THE PROJECT LIFE)**

<b>Reporting Period</b>	
<b>A. SUB PROJECT BACKGROUND INFORMATION</b>	
1. Name of the Sub-Project:	
2. Name of Concessionaire / SPV: and address with contact numbers	
3. Name of Lead Bank and other Co-Lenders with Telephone numbers	
4. Contact Details: ESMU / IIFCL with Tel numbers	
5. Location of the Subproject:	
6. Sector / Sub-Sector as per DFIs' Guidelines:	
7. Subloan (US\$ mn):	
8. Status of Subproject Implementation:	
9. What are the applicable DFIs' safeguard policies in case of this subproject? <sup>1</sup>	
10. Safeguard impact categories:	
11. Has IIFCL conducted any environmental and social due diligence on the subproject?	
12. Number of safeguard site visits completed by IIFCL Safeguard Team	
13. History of Previous Annual Audits	
14. Products Placed for Audit in the Current Year	
<b>C. ENGAGEMENT DOCUMENTS WITH LEAD BANK/SPV</b>	
<b>1. Institutional Arrangements</b>	
1a. <b>Financing and budget,</b> Are the provisions adequate, timely? Do they address the concerns/issues adequately?	
1b Has the Environmental and Social Safeguards Management Unit at IIFCL been staffed and trained adequately regarding involuntary resettlement and Indigenous Peoples safeguards matters?	
<b>2. Resettlement Planning based on Detailed Design</b>	
2a Has the RP been revised following detailed design and detailed measurement survey?	
2b Have the compensation rates been disclosed and/or updated in the RP?	
<b>3. Indigenous Peoples Planning based on Detailed Design</b>	
3a Has Indigenous Peoples Plan been updated / finalized?	
3b Is there a budget for implementing mitigation actions, if any, and to distribute beneficial measures, if any, to Indigenous Peoples provided?	
3c Whether above measures implemented with the participation of affected Indigenous Peoples?	

<sup>1</sup> Subprojects approved under LN 2404-IND (approved on 20 Dec. 2007), LN 2509-IND (approved on 24 Feb. 2009), LN 2586-IND (approved on 27 Nov. 2009) are required to comply with the Environment Policy 2002, Policy on Involuntary Resettlement (1995), and Policy on Indigenous Peoples (1998). Subprojects approved under LN 2717-IND (approved on 7 Dec. 2010) are required to comply with ADB Safeguard Policy Statement 2009.

3d Whether Indigenous Peoples participate in monitoring the project and IPP activities?	
<b>4. Consultations, Disclosure and Grievance Redress</b>	
4a Have the affected persons been consulted and discussions properly documented?	
4b Was the RP or updated RP disclosed to the affected persons? Made available in local language? Disclosed in DFIs or other websites?	
4c Were meaningful consultations with affected Indigenous Peoples communities conducted and the process and outcomes documented?	
4d Did a Grievance Redress Committee/Mechanism established? Is it functioning?	
4e What were the main social, involuntary resettlement and Indigenous Peoples issues associated with this subproject that were identified through due diligence conducted by IIFCL, and how were the issues dealt with (i.e., outcome of due diligence)?	
<b>5. Compensation, Relocation and Rehabilitation</b>	
5a Has cash compensation paid to APs at replacement cost?	
5b Were physically displaced persons relocated? Has project authorities identified relocation sites? Any houses at relocation sites constructed for the physically displaced?	
5c In case of Indigenous Peoples, are there resettlement options which are culturally-appropriate? Are there any relocation sites for them? In choosing such sites did affected Indigenous Peoples consulted to know whether they consider such sites as appropriate.	
5d Was there a detailed income restoration or livelihood development plan with a budget and time frame as part of the resettlement plan? What is the current status of its implementation?	
5e Are income restoration and livelihood development activities culturally appropriate in case of affected Indigenous Peoples communities?	
<b>6. Monitoring and Reporting</b>	
6a Does the subproject have quantitative and qualitative indicators to monitor the performance of social safeguards identified? Have they been monitored regularly?	
6b Is there an external monitor of the social safeguards of the subproject? Has the expert regularly monitor safeguard compliance?	
6c Has Monitoring reporting done on agreed frequency?	
<b>• D Conclusion on social safeguard compliance status of subproject</b>	

<b>Names of audit team members:</b>	
<b>Reviewed by:</b>	
<b>Date of subproject audit:</b>	
<b>Date of Submission</b>	

**Summary of Social Safeguards Compliance in Matrix Format**

**A. Social Safeguard**

<b>No.</b>	<b>Company Name</b>	<b>Subproject Name</b>	<b>Social Safeguard Due Diligence</b>	<b>Compliance Status vis-à-vis DFIs' Safeguard Policies</b>	<b>Social Safeguard Compliance Monitoring and Review by DFIs'</b>	<b>Action Required by IIFCL to Ensure Compliance</b>



## LIST OF ANNEXES PERTAINING TO GENERAL SECTION

Annex G-1	Terms of Reference for Environment and Social Assessment	Provides terms of reference for undertaking environmental and social assessment
Annex G-2	Outline Terms of Reference for Project Management Consultant – I	Provides the terms of reference for Project Management Consultant–1 that will work closely with internal staff of IIFCL.
Annex G-3	Outline Terms of Reference for Project Management Consultant – II	Provides the terms of reference for Project Management Consultant–II that will be an external expert and will provide specialized inputs to IIFCL.
Annex G-4	Outline Training Programme for Lead Banks / Sub-borrowers on IIFCL's EMS	Provides outline for training program that is proposed to familiarize lead banks, subborrowers with the requirements of ESSF of IIFCL.

ESSF = Environment and Social Safeguard Framework, IIFCL = India Infrastructure Finance Company Limited

## **ANNEX G-1: TERMS OF REFERENCE FOR ENVIRONMENT AND SOCIAL ASSESSMENT**

1. The consultant shall under take the detailed environmental and social assessment in accordance with the standards set by the Government of India / State Government for infrastructure construction subprojects and the environmental and social safeguard requirements of the DFI funding the subproject.

### **A. Environmental Impact Assessment**

2. Environment impact assessment or initial environment examination be carried out in accordance to the applicable laws/rules/guidelines set out by appropriate body/organization (for e.g. the Government of India, State Government and/or concerned DFI).

3. The consultant should carry out preliminary environmental screening to assess the direct and induced impacts due to the Project.

4. The consultant shall ensure to document baseline conditions relevant to the Project with the objective to establish the benchmarks.

5. For projects with potential for significant adverse environmental impacts, the consultant shall take into account the safeguard requirements of the concerned DFI (Annex E-4).

6. The consultant shall assess the potential significant impacts and identify the mitigative measures to address these impacts adequately.

7. The consultant shall do the analysis of alternatives incorporating environmental concerns. This should include with and without scenario and modification incorporated in the proposed Project due to environment considerations.

8. The consultant shall give special attention to the environmental enhancement measures in the Project for the following:

- (i) Cultural property enhancement along the highways
- (ii) Bus bays and bus shelters including review of their location
- (iii) Highway side landscape and enhancement of the road junctions
- (iv) Enhancement of highway side water bodies
- (v) Redevelopment of the borrow areas located on public land

9. For projects with potential for significant adverse environmental impacts, the consultant will prepare an EIA following the format in Annex E-11 if DFI funding is involved otherwise EIA format will be as specified by GoI's EIA Notification..

10. The consultant shall prepare the Bill of Quantities (BOQ) and technical specifications for all its items of work in such a way that these may be readily integrated to the construction contracts.

11. The consultant shall establish a suitable monitoring network with regard to air, water and noise pollution. The consultant will also provide additional inputs in the areas of performance indicators and monitoring mechanisms for environmental components during construction and operational phase of the Project.

12. The consultant shall provide the cost of mitigation measures and ensure that environmental related staffing, training and institutional requirements are budgeted in Project cost.

13. The consultant shall prepare the application forms and obtain forestry and environmental clearances from the respective authorities including the SPCBs and the MoEF on behalf of CLIENT.

14. The consultant will make presentation, if required, in defending the Project to the MoEF Infrastructure Committee.

15. The consultant shall identify and plan for plantation of the suitable trees along the existing highway in accordance with Indian Road Congress (IRC) guidelines.

16. The consultant shall assist in providing appropriate input in preparation of relevant environment and social sections of the Project.

## **B. Social Impact Assessment**

17. The consultant would conduct base line social-economic and census survey to assess the impacts on the people, properties and loss of livelihood. The social-economic survey will establish the benchmark for monitoring of R&R activities.

18. A social assessment is conducted for the entire Project to identify mechanisms to improve Project designs to meet the needs of different stakeholders. A summary of stakeholders discussions, issue raised and how the Project design was developed to meet stakeholders need would be prepared.

19. The consultant shall prepare Land Acquisition Plan on revenue map and assist CLIENT in acquisition of land under various Acts.

20. The consultant would prepare Resettlement and Rehabilitation Plan, assess feasibility and effectiveness of income restoration strategies and suitability and availability to relocation sites as per guidelines provided in the National Policy on Resettlement and Rehabilitation (2003). All untitled occupants are recorded at the initial stages and identify cards will be issued to ensure there is no further influx of people into the Project area. All consultations with affected persons (to include list of participants) should be fully documented and records made available to CLIENT.

21. Assessment of the impact of the Project on the poor and vulnerable groups along the Project road corridor shall be based on:

- (i) The identified impacts, developing entitlement matrix for the Project Affected Families
- (ii) Assessment on social issues such as indigenous people, gender, HIV/AIDS, labour including child labour
- (iii) Implementation budgets, sources and timing of funding and schedule of tasks
- (iv) Responsibility of tasks, institutional arrangements and personnel for delivering entitlement and plans to build institutional capacity
- (v) Internal and external Monitoring plans, key monitoring indicators and grievance redressal mechanism
- (vi) Incorporating any other suggestions of the CLIENT, till the acceptance of the

reports by the CLIENT

### **C. Reporting Requirements of EIA**

22. The consultant would prepare the stand-alone reports as per the guidelines provided by the Government of India/State Government, with contents as per the following:

- (ii) Executive Summary
- (iii) Description of the Project
- (iv) Environmental setting of the Project
- (v) Identification and categorization of the potential impacts (during pre-construction, construction and operation periods)
- (vi) The public consultation process
- (vii) Policy, legal and administrative framework: This would include mechanisms at the states and national level for operational policies. This would also include a description of the organizational and implementation mechanism recommended for this Project
- (viii) Typical plan or specific designs for all additional environmental items as described in the scope of work
- (ix) Incorporating any other as per the suggestions of the CLIENT, till the acceptance of the reports by the CLIENT
- (x) EMP Reports for each Contract Package based on uniform methodology and processes. The consultant will also ensure that the EMP has all the elements for it to be a legal document. The EMP reports would include the following:
- (xi) Brief description of the Project, purpose of the EMP, commitments on incorporating environmental considerations in the design, construction and operations phases of the Project and institutional arrangements for implementing the EMP
- (xii) A detailed EMP for construction and operational phases with recourse to the mitigation measures for all adverse impacts
- (xiii) Detailed plans for highway-side tree plantation (as part of the compensatory afforestation component)
- (xiv) Environmental enhancement measures would be incorporated. Enhancement measures would include items described in the scope of work and shall be complete with plans, designs, BOQ and technical specifications
- (xv) Environmental monitoring plans during and after construction including scaling add measurement techniques for the performance indicators selected for monitoring
- (xvi) The EMP should be amendable to be included in the contract documents for the works
- (xvii) Incorporating any other as per the suggestions of the CLIENT, till the acceptance of the reports by the CLIENT

### **D. Reporting requirements of RAP**

- (i) Analysis on the Resettlement Action Plan should be conducted based on the National Policy on Resettlement and Rehabilitation (2003). Content of the report should cover:
- (ii) Executive Summary
- (iii) Description of Project
- (iv) Objectives of the Project

- (v) The need for resettlement in the Project and evaluation of measures to minimize resettlement
- (vi) Definition of Project Affected persons and the eligibility criteria
- (vii) Description and results of public consultation and plans for continued participation of Project s
- (viii) Census and survey results-number affected, how are they affected and what impacts will they experience
- (ix) Legal and entitlement policy framework-support principles for different categories of impact
- (x) Arrangements for monitoring and evaluation (internal and external)
- (xi) Implementation schedule for resettlement which is linked to the civil works contract
- (xii) A matrix of scheduled activities linked to land acquisition procedures to indicate clearly what steps and actions will be taken at different stages and the time frame
- (xiii) The payment of compensation and resettlement during the acquisition process
- (xiv) An itemized budget (replacement value for all assets) and unit costs for different assets

## **ANNEX G-2: OUTLINE TERMS OF REFERENCE FOR PROJECT MANAGEMENT CONSULTANT-I**

1. PMC-I will provide core support to ESMU of IIFCL in operation of the ESF.
2. PMC-I will be identified through competitive bidding. PMC-I will need to have at least 10 years of experience as an organization in Environmental and Social Assessment (ESA), especially on obtaining Environmental Clearance (EC), should have worked on ESA of projects that have received international donor funding and has resident team that has core ESA competencies.
3. PMC-I will provide one full time environmental and one full time social assessment specialist to IIFCL. In addition, PMC-I will support ESMU/IIFCL by providing Field ESA specialists and ESA Training specialists on needs basis.
4. The full time as well as Field Assessment Environmental Specialist will be masters in Environmental Science/Engineering/Planning with at least 5 years of experience. Previous experience in preparing EIAs and obtaining EC at Centre and State levels for infrastructure projects will be essential.
5. The full time as well as Field Assessment Social specialists will have a Masters in Social Development and allied areas with at least 5 years of experience in the preparation of Resettlement Action Plans (RAP) and Indigenous Peoples Development Plans (IPDP).
6. The Training Specialists will have at least a Masters qualification in ESA with 10 years of experience in practicing ESA with at least 3 years of experience on conducting training programmes in ESA.
7. The full time two specialists will work at IIFCL and report to Head, ESMU. Through the two full time specialists, following services will be rendered by PMC-I to ESMU/IIFCL.
  - **Task 1:** Conduct compliance review – The specialists will review project documentation received from Lead Bank/SPV; check applicability of all applicable national, state and local environmental and social policies and regulatory requirements; donor requirements – especially on the process to be followed and identify gaps if any for action at the end of Lead Bank/SPV.
  - **Task 2:** Check adequacy and effectiveness of EMPs/RAPs/IPDPs – The specialists will review the EMPs/RAPs/IPDPs and check their adequacy and effectiveness in mitigating adverse environmental and social issues, appropriateness of the budget and robustness of the institutional mechanism for implementation and monitoring. Make suggestions if there are deficiencies to the Lead Bank/SPV.
  - **Task 3:** Develop conditions as loan covenants that stipulate requirements or outcomes of EMP/RAP/IPDPs.
  - **Task 4:** Prepare Memo for Board on the basis of Tasks 1, 2, and 3.
  - **Task 5:** Prepare sector specific checklists, guidelines, monitoring and reporting formats to strengthen ESF. These guidelines will make use of materials developed by GOI and MDBs (**Annex E-15, E-16, E-17, E-18, and E-20** illustrate such guidance materials of relevance to Lead Banks/SPVs. PMC-I will build a compendium to this effect and provide to the Lead Banks/SPVs).

- **Task 6:** Coordinate with Field Environmental and Social Specialists for assessment, monitoring and review as required. These Field Specialists will be provided by PMC-I through its pool of resources. The full time ESA specialists will recommend to the Head, ESMU need to deploy Field Environmental and Social Specialists based on information requirements, interest on independent checking, project sensitivity, time pressures etc.
- **Task 7:** Coordinate with Lead Banks/SPVs to provide support to independent environmental and social auditors (PMC-II) for preparing IIFCL's Annual Environmental and Social report. The specialists will work closely with the Lead Banks/SPVs as well as the auditors to ensure that required information is compiled and provided in a timely manner.
- **Task 8:** Prepare progress and performance reports for the various donors. **Annex E-22** provides a guideline.
- **Task 9:** Coordinate with the Training Specialists to provide guidance to the Lead Banks/SPVs on project processing under ESF/Social Management System. The specialists will identify training needs and work closely with Training Specialists provided by PMC-I to conduct training programmes at Lead Bank/SPV on a regular basis, conduct evaluation of the training programmes and prepare reports.
- **Task 10:** Update ESF/Social Management System based on operational experience.

8. Fees to PMC-I will be paid for the provision of full time staff (two ESA specialists) and towards need based usage of other staff (Field and Training Specialists) on agreed daily rates. ESMU/IIFCL will provide the office space, office support such as computers, stationary and communication facilities. All field travel for work will be reimbursed following the norms as applicable at IIFCL.

9. In case of any dissatisfaction on the services and qualifications of the full time or part time staff, PMC-I will be obligated to do requisite replacement.

### **ANNEX G-3: OUTLINE TERMS OF REFERENCE FOR PROJECT MANAGEMENT CONSULTANT-II**

1. PMC-II will be responsible to conduct annual environmental and social audit of IIFCL's ESF.
2. PMC-II will be identified through competitive bidding. PMC-II will need to have at least 10 years of experience as an organization in Environmental and Social Assessment (ESA), especially on obtaining Environmental Clearance (EC), should have worked on ESA of projects that have received international donor funding and has resident team that has core ESA competencies.
3. PMC-II will provide one senior environmental and one senior social assessment specialist for conducting annual environmental and social audit.
4. The Senior Environmental Specialist will be masters in Environmental Science/ Engineering/ Planning with at least 10 years of experience. Previous experience in reviewing/auditing EIAs and obtaining EC at Centre and State levels for infrastructure projects will be essential.
5. The Senior Social specialists will have a Masters in Social Development and allied areas with at least 10 years of experience in the preparation/assessment of Resettlement Action Plans (RAP) and Indigenous Peoples Development Plans (IPDP).
6. These two specialists will work closely with specialists provided by PMC-I during the planning, conduct and closure of the annual environmental and social audit.
7. The audit will check whether the procedures as stipulated in the ESF have been followed, whether the outcomes (e.g. reports) have been satisfactory, whether the decisions taken were appropriate and whether the actions recommended were taken in full and on timely basis.
8. The tasks to be completed shall be as follows.
  - **Task 1:** Verify whether the procedures as per the ESF have been followed at ESMU/IIFCL for all sub-projects that have been appraised and financed.
  - **Task 2:** Design audit recording sheet for sub-projects in consultation with ESMU/IIFCL that would meet IIFCL's as well as donor requirements. See **Annex E-20** as a sample. Provide the format to ESMU/IIFCL to compile data on all sub-projects that are appraised and financed.
  - **Task 3:** Analyze data compiled by ESMU/IIFCL following the audit recording sheet. Request additional information if needed to complete assessment
  - **Task 4:** Develop audit programme by identifying projects that will be assessed through data alone and through field visits as per the approach outlined in **Figure 6** of ESF document.
  - **Task 4:** Conduct field visits as per the agreed audit programme. Complete audit recording sheets by adding field observations
  - **Task 5:** Prepare report for ESMU/IIFCL with suitable appendices, summarizing observations, corrective actions needed as relevant for each sub-project that is audited, make suggestions for improvements at ESMU/IIFCL as well as at Lead



Banks/SPVs and recommend updation in the ESF where appropriate

9. Fees to PMC-II will be paid on lump sum basis for providing the above service, ESMU/IIFCL will provide the data, do required coordination with Lead Banks/SPVs, provide office space, office support such as computers, stationary and communication facilities. All field travel for work will be reimbursed following the norms as applicable at IIFCL.

**ANNEX G-4: OUTLINE TRAINING PROGRAMME FOR LEAD BANKS/SPVs ON IIFCL'S  
ESSF**

Day 1:

Morning session

**Environmental and Social Issues in Infrastructure Projects**  
(two presentations)

Discussions

Afternoon session

**Overview of Environmental and Social Policies and Regulatory Framework in India**  
(two presentations)

Discussions

Day 2:

Morning session

**IIFCL's Environmental and Social Management System (ESMS) – Policy, Procedures and Benefits**  
(two presentations)

Discussions

Afternoon session

**Case studies on Subprojects that have followed IIFCL's ESMS**

Discussions

**ADDENDUM TO THE ESSF.**

**Environmental & Social Safeguards Management**  
**for World Bank Financed Sub-Projects**

1. **Background.** The purpose of this note is to summarize the process of proposed due diligence process at IIFCL for determining the eligibility of sub-projects for the World Bank financing under the on-going line of credit and also describe the proposed supervision and monitoring arrangements of those sub-projects.

2. **Environment and Social Safeguards Framework (ESSF).** IIFCL has adopted an ESSF in 2008 and updated this in 2013<sup>62</sup> to deal with the environment and social impacts in those sub-projects financed by the multi-lateral agencies. The provisions and procedures described in this ESSF (2013) along with the provisions of World Bank Safeguard policies will apply while determining the eligibility of sub-projects. The Operation Manual describes the process to be followed in implementation of ESSF provisions. The due diligence process proposed in this note is an addendum to OM against the above background.

3. **Proposed due Diligence Process:** The current process of determining the eligibility of sub-project on case by case basis with the prior review through due diligence process by the World Bank will be replaced with delegation of due diligence process to IIFCL for all categories B and C type of project under the Restructured project – as described in this note. In rare case of category A projects posed to the World Bank financing, the current process of due diligence through the World Bank prior review will continue.

4. **Incentive to Developers.** In order to mainstream the process of integrating environment and social impacts in project preparation and implementation by the developers, IIFCL has introduced a unique incentive scheme of providing rebate of twenty-five basis points in the applicable interest rates to sub-projects that qualify on environmental and social safeguards compliance with ESSF and the World Bank policy provisions. In the restructured project both direct financing and take out financing will be included. The process of ESDD for both categories is described below.

5. **Direct Financing.** IIFCL has taken the responsibility for institutionalizing an appropriate mechanism for review and clearance of due diligence reports, followed by an action plan for mitigation of identified impacts. Under this category, sub-projects that will be given preference for financing by IIFCL are the ones which are at a very early stage of implementation or where the financial closure has not yet happened. IIFCL uses the checklist to categorize the sub-projects based on their level of environmental and social impacts (for details please see **Appendix I**). Based on the categorization, only those sub-projects categorized as B and C will be covered under IIFCL's due diligence process.

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<sup>62</sup> Also in 2010.

6. The GOI's screening criteria for infrastructure development projects do not entail obtaining environmental clearances for water supply and sewerage projects, solar energy, wind power, electrical transmission line, smaller/strengthening road development projects and telecommunication lines under the provisions of EIA Notification, 2006 including relevant amendments in subsequent years. As a result, such projects do not require an environmental impact assessment. The environmental safeguard policies of World Bank, however, require environmental assessment for any physical infrastructure project, if it is expected to generate any kind of adverse environmental impacts. Therefore projects belonging to above mentioned sectors also require appropriate environmental planning instruments. In case of direct financing of sub-projects where EIA not mandatory, ESDD shall be focused on identifying applicable environmental impacts and ensure measures for such impacts are adequately addressed.

7. As a first step in determining the eligibility of sub-projects for World Bank financing, the Environment and Social Due Diligence (ESDD) reports will be prepared by IIFCL staff/consultants and/or also external consultants based on the available documents / reports, field visit findings and direct interaction with concerned stakeholders as needed<sup>63</sup>. In case of any sub-projects under review, are implemented in the designated tribal areas, and no consultation has been conducted with tribal people then the Developer will hold consultations with the tribal groups to record their views towards the projects and propose measures to enhance the positive benefits of the project to them under their CSR initiatives. The ESDD will be reviewed by the Head of Environmental and Social Management Unit (ESMU). Based on the review findings, IIFCL will hold consultations with the Developer to prepare an action plan by them to propose appropriate mitigation measures for those impacts where no mitigation measures are proposed or proposed measures are in-adequate, in line with the Bank's operational policy provisions. Relevant checklists and provisions from the ESSF would be used while preparing the ESDD and action plans. The ESSF and the Annexures to ESSF includes the check lists and details of applicable entitlements and actions to be used while preparing ESDD and actions plans. The final ESDD and action plan will be approved by Chief General Manager. As appropriate, the implementation will be linked to the remaining disbursements to ensure that the agreed actions are implemented within the agreed time table.. The action plan in local language will be shared with local people at those places which are easily accessible to local people. IIFCL will involve the World Bank Team in the ESDD process for its first set of sub-projects (Madhya Pradesh Road strengthening Projects), which will serve as basis for subsequent ESDDs by IIFCL.

**8. Sub-Projects Under Take-out Financing (TFS).** The take-out financing will deal with sub-projects which are at post-construction/operational phase. As assistance under TFS is sanctioned only after minimum of one year after the start of the commercial operation date (COD), it is expected that safeguard issues as per applicable state, national guidelines/regulations would have been addressed by then. The Take out will be restricted to Highway and Port Terminal sectors. If projects in any other sectors are proposed, then it will

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<sup>63</sup> The level of due of due diligence will vary according to nature and magnitude of safeguards impacts of sub-projects under review. If there are very few impacts, such as for road strengthening, solar or transmission sub-projects, then the level of due diligence will be proportionately simpler.

discussed with the World Bank and agree the process to be followed for those projects in other sectors. For takeout, the IIFCL will conduct an Environmental and Social Due Diligence (ESDD) study through an independent consultant initially to assess any environment and social related risks applicable during operation phase. The preparation of ESDD will be based on the publicly available documents, discussions with the developer, local community and other stakeholders. The Environmental and Social Due Diligence (ESDD) Report will confirm (from information available in public domain and based upon documents made available by the O&M project team) that:

- The sub-project is in compliance with applicable national social and environmental laws;
- No significant reputational risks for either the IIFCL or the World Bank;
- No significant outstanding legal or legacy issues pending;
- Social and environmental plans have been implemented during the construction phase of sub-projects as per national policies on safeguards; and,
- The ESDD will also confirm whether any safeguard covenants or issues identified as part of appraisal process are implemented.

9. Some of the important environmental safeguards information that will be covered in the report is:

- a) Record: the status of applicable environmental regulatory clearance obtained as on date; and the compliance and/or compliance reporting with the regulatory clearance conditions
- b) Review the sub-project EIAs including compliance of clearance conditions, and address residual environmental impacts of significance, specifically related to community/common property resources, natural habitats, and cultural properties etc. The ESDD for Take Out shall focus on impacts during operation phase of the sub-project, in addition to point (a) above.

10. Some of the important social safeguards information that will be covered in the report is:

Magnitude of land acquisition and resettlement impacts in the project;

- a) Outcome of Resettlement and Tribal Development Plan implementation, if applicable;
- b) Outstanding grievance and complaints, if any;
- c) Any court reference cases on land acquisition matters and pending compensation payments ; and
- d) Summary of consultations held in affected villages and with other stakeholders during construction phase, if available and based on this, assessment of Implementation status of outcomes of public hearings/consultations;

11. Apart from addressing environmental and social safeguards issues, IIFCL will pursue with the Developer for the preparation and implementation of a "Community Development Plan" to meet the pressing and priority basic amenity needs of the villagers in the project area under their CSR initiatives.. IIFCL will involve the World Bank Team in the process of carrying out of ESDD for the first two sub-projects (one each in Highway and Port Terminal) and these two sub-projects will be prior reviewed by the World Bank which will serve as basis for subsequent ESDDs by IIFCL. An indicative checklist on environmental and social safeguards for preparing ESDD report is presented in **Appendix II**.

**12. Disclosure:** The final approved ESDDs, action plans and community Development Plans prepared as part of determining the eligibility of the World Bank financing will be disclosed in the respective websites of Developers and IIFCL. In case of "Category A" projects, the due diligence reports along with action plans will also be disclosed in the Bank's Info Shop.

**13. Supervision and Monitoring.** IIFCL Environment and Social Unit include a Head, 2 staff and 2 consultants. All these 5 members will involve in the due diligence process and supervision of the implementation of action plans and Community Development Plans. External consultant's services will be used as necessary. The developers will submit progress reports on the implementation of agreed plans and any other issues that may emerge during the implementation on a frequency defined in the ESDD, but no less than six monthly. IIFCL will undertake field visits to a sample of relevant sub-projects at least once in 6 months to review the progress on the ground. In addition, Annual audits will be undertaken as needed to review all sub-projects accepted for World Bank financing to review the process followed for categorization, quality and adequacy of due diligence and supervisions of implementation. Any comments observed in the annual audit will be addressed through remedial measures. IIFCL will provide updates on the ESDD and implementation of action plans as part of its periodic progress reporting to the World Bank.

## Appendix I

### A. Indicative Categorization Criteria for the Sub-Projects - Environmental Impacts

Sl. No.	Environmental Factors	Categorization of Projects			
		Category A	Category B	Category C	Remarks
1.	Impact on Notified eco-sensitive area/eco-sensitive zones/wildlife migratory zones	Project site falls within or on the boundary of notified eco-sensitive zone/area	Significant distance from eco-sensitive area i.e. no significant impacts on eco-sensitive area due to project operations (in line with the provisions in EIA notification)	Minimal impact or no impact on eco-sensitive area	Magnitude of impacts is directly linked with type of project activity.
2.	Impact on important archaeological sites/ cultural heritage sites	Presence of archeologically important sites within corridor of impact and possibility of impacts due to project operations	Do not require any mandatory clearance.  No significant impacts; and/or temporary mitigable impacts due to project operations	Minimal impact or no impact on important archaeological /historically monuments	do
3.	Cumulative environmental impacts	Contribution to cumulative environmental impacts	Insignificant contribution to cumulative environmental impacts	No contribution to cumulative environmental impacts	
4.	Impact on forest land	Forest diversion of very rich biodiversity areas covering large area at one place and/or forest diversion	Limited forest diversion in linear projects /involving small area, which do not impact overall health of	Minimal impacts or no forest diversion	Notified Protected forests will also be considered

Sl. No.	Environmental Factors	Categorization of Projects			
		Category A	Category B	Category C	Remarks
		which would affect health of the forest or severe wildlife crossings	the forest		
5.	Impacts on local environment (air, water, land, flora & fauna etc.)	Long term, irreversible and high level impacts on local environment	Short term, temporary low level impacts but mitigable impacts	No or low impacts on local environment	
6.	Scale of tree-felling	Very large-scale tree felling covering large area at one place; or activities affective sacred groves	Medium-scale tree felling e.g. in linear projects / covering small area at one place	Minimal impacts or small-scale tree felling or no tree felling	
7.	Impacts on water bodies	Long-term, significant and irreversible impacts on water bodies/ aquatic ecosystem or significant reclamation of water bodies	Short-term temporary and mitigable impacts	No impact on water bodies	

#### B. Indicative Categorization Criteria for the Sub-Projects - Social Impacts

Sl. No.	Social Impacts	Categorization of Projects		
		Category A	Category B	Category C
1.	Impact on Land and physical assets	<ul style="list-style-type: none"> <li>Major impact on private land</li> <li>Major impact on fertile/irrigated agricultural land</li> <li>Involves physical</li> </ul>	<ul style="list-style-type: none"> <li>Minor/ temporary impact on private land</li> <li>Impact on less fertile/ barren private agricultural land</li> <li>Negligible and</li> </ul>	<ul style="list-style-type: none"> <li>No private land acquisition and thus no R&amp;R issues involved.</li> </ul>



Sl. No.	Social Impacts	Categorization of Projects		
		Category A	Category B	Category C
		displacement and loss of livelihoods	isolated cases of displacements.	<ul style="list-style-type: none"> <li>Impact on government land only</li> </ul>
2.	Impact on livelihood	<ul style="list-style-type: none"> <li>Majority of affected people becoming small and marginal farmers in case of land acquisition</li> </ul>	<ul style="list-style-type: none"> <li>Only few affected people becoming marginal and small farmers/ in case of land acquisition and loss of livelihoods are not significant.</li> </ul>	<ul style="list-style-type: none"> <li>No such issue involved</li> </ul>
3.	Impact on tribal community	<ul style="list-style-type: none"> <li>Large section of tribal community adversely affected</li> <li>Projects are implementation in Tribal and impacts on their systems</li> <li></li> </ul>	<ul style="list-style-type: none"> <li>Minor adverse impact on tribal families</li> <li>Project in Tribal area can ensure the positive benefits to tribal community.</li> </ul>	<ul style="list-style-type: none"> <li>No adverse impact on tribal community</li> </ul>

**Checklist for preparation of Environmental and Social Due Diligence Report (ESDDR)  
under Takeout Finance Schemes**

**I. Environmental Safeguards Compliance Status during Operation Phase Activities:**

- (xi) Status of applicable permits/clearances during operation phase
- (xii) EHS(Environment, Health and Safety) related clauses in O&M agreement
- (xiii) Compliance status of Environment Management Measures/Plan during Operation Phase
- (xiv) Institutional arrangement in place for implementation and monitoring of EMP;
- (xv) Emergency Preparedness and Response Plan during Operation Phase
- (xvi) Status of Plantation and or compensatory plantation; and current arrangements for maintenance and replacement of casualties
- (xvii) Adequate Traffic Management and Road Safety Measures (in case of road projects)
- (xviii) Accident/Incident data report along with remedial measures
- (xix) Health and work safety measures
- (xx) Community severance issues, if any
- (xxi) Outcomes of implementation status of public hearing proceedings, if applicable and available

Status of post-construction phase activities can be included in ESDDR depending upon applicability with regard to project activities during construction phase which are given below:

**II. Status of Post-construction Phase Activities:**

- (viii) Compensatory Afforestation status,
- (ix) Rehabilitation of borrow areas status
- (x) Soil erosion control measures
- (xi) Embankment protection measures
- (xii) Redevelopment of quarry Areas, if owned by project developer
- (xiii) Restoration of camp sites and plant sites
- (xiv) Any enhancement of community assets
- (xv) Provision of any facility out of public demand

Status of Environmental Safeguards related compliance/documentation applicable during Pre-construction/Construction Phase can only be provided in ESDDR if information is available with Operation phase Project Team which is as follows:

**III. Environment Safeguards related Documents applicable during pre-construction/ construction stage of any Post-COD Project are as follows:**

1. Copy of EIA-EMP Report
2. HSE related clauses in contract documents i.e. Concession/EPC Agreement
3. Copy of various clearances like (Environmental clearance, forest clearance, CRZ Clearance, wildlife clearance, if applicable, Tree-cutting Permission and NOC from various authorities like SPCB and other state level regulatory authorities etc., or status of applicable permits taken during pre-construction and construction Phase, whichever is available
4. Details of Public hearing proceedings (Minutes of public hearing and newspaper cuttings of public hearing notification)
5. Six Monthly compliance reports submitted to MoEF for compliance of Environmental Clearance (EC) Letter's conditions

**IV. Social Safeguards information:**

- Land acquisition and Resettlement details and its implementation status;
- Any pending litigation, court cases, complaints, implementation actions, etc.
- Details of Local Employment generated during construction phase and operation phase and any further plans for employment generation ;
- any outstanding implementation actions as originally proposed by the concessioning authority/developer, including those raised during the public hearings, as case may be
- Identity of any residual implementation actions;
- Details of any special effort taken by concessionaire or any project facility provided (like underpasses, service road in case of road projects) on public demand; and,
- CSR activities undertaken by the concessionaire during the construction and operation phase