

ENVIRONMENTAL ASSESSMENT AND REVIEW PROCEDURE FOR SUBPROJECTS

1. Requirement for an Environmental Assessment Report

1. Detailed IEEs for the subprojects shall be carried out in parallel with the preparations for the detailed Project design. The IEE will use data provided by SEA activities and provide detail information on baseline environment conditions in the subproject area, and key engineering indicators of the subproject that have environmental implications. The report will also identify specific potential adverse impacts related to location, design, construction and operation, and provide specific mitigation measures and financial sources as prerequisite for approval. A monitoring and enforcement program will be developed to ensure that none of the schemes would have any major adverse environmental impacts.

2. Public consultation will be conducted through interviews, meetings, or surveys as part of environmental assessment for each scheme. The results of public consultation will be documented and reflected in IEE.

2. Responsibilities of Implementing Agencies and ADB

3. The following review procedure will be adopted to facilitate identification and mitigation of potential environmental problems/risks related to each subproject:

(i) Implementing Agencies' Responsibilities

- (a) Carry out detailed IEE for all subprojects¹ and submit to ADB as part of the subproject proposal.
- (b) Obtain environmental clearance from the relevant project approving agency and ADB for environmental compliance before awarding any contracts for that subproject.
- (c) Irrespective of if the sub-project required an IEE, basic environmental safeguards to be adopted during construction shall be included in the contract documents. For sub-projects that require an IEE, the contract documents shall also include clauses for the implementation of environmental mitigation measures as described in the IEE report and the approving agency clearance.
- (d) Full responsibility for monitoring and reporting to ADB on the implementation of environmental mitigation measures described in the IEE report.

(ii) ADB's Responsibilities

- (a) Review IEE reports and approve qualifying subprojects.

¹ Except subprojects with solely capacity-building and fiduciary/governance related activities.

- (b) Disclose the findings of the IEE and summary IEE in accordance with the requirements under ADB's *Environment Policy (2002)* and ADB's *Disaster and Emergency Assistance Policy (2004)*.
- (c) Monitor the implementation of mitigation measures through project review missions, and conduct environmental performance monitoring as necessary.

4. The Implementing Agencies (IAs) ensure that ADB is given access to undertake environmental monitoring of all subprojects, if needed, and they submit quarterly progress review reports including progress of environmental monitoring and highlighting of any other environmental issues that may have arisen during implementation, and measures taken to address the issues. Each IA is responsible for ensuring that all environmental assessment documents, including the environmental monitoring reports, are maintained systematically as part of the subproject-specific record.

3. Environmental criteria of subproject selection

5. Project siting is a major criterion for subproject selection. For instance, sub-projects with sites proposed within the - likely to be declared - coastal buffer zone shall not be supported by the Project. Subprojects shall not be located in or adjacent to environmentally sensitive areas such as (i) protected area, (ii) buffer zone of protected area, (iii) wetland, (iv) mangrove, (v) estuarine, (vi) special area for protecting biodiversity or with other significant ecological or other values, (vii) pollution hotspots etc. The ETESP component on "Spatial Planning and Environmental Management" will, inter alia, provide support in the process of identifying appropriate project sites during design stage so that those environmental impacts that may arise from project siting can be avoided or minimized.

6. In view of the very special post-tsunami situation in the Project areas, any subproject preparation should include site visits with an assessment as to whether and how a clean-up of debris/waste at the Project site will be necessary or whether it has already been completed in a satisfactory manner. If identified that remedial actions are to be taken prior to construction activities, appropriate clean-up/waste disposal activities will have to be properly defined and carried out. Costs for site visit and assessment and clean-up/disposal activities will have to be borne by subproject budget.

7. For each subproject, an Initial Environmental Examination (IEE) will be prepared, with the exception of subprojects that can be identified as activities/"non-physical" interventions with the feature to build up/re-establish human resources capacities, fiduciary and governance framework etc.

8. The EARP will fully take into account any upcoming Government post-tsunami specific regulations and procedures and, for instance, guidelines for waste disposal and management and reconstruction of housing etc. The IA's should ensure that all activities will be carried out in accordance with the existing guidelines and any new, upcoming guidelines and technical standards the Government will enact – in addition to ADB's environmental assessment requirements, as they are set out in ADB's *Environment Policy (2002)* and ADB's *Environmental Assessment Guidelines (2003)*.