

OPERATIONS MANUAL BANK POLICIES (BP)

These policies were prepared for use by ADB staff and are not necessarily a complete treatment of the subject.

SAFEGUARD POLICY STATEMENT

1. The Asian Development Bank (ADB) affirms that environmental and social sustainability is a cornerstone of economic growth and poverty reduction in Asia and the Pacific. Therefore, ADB's Strategy 2020¹ emphasizes assisting developing member countries (DMCs) as they pursue environmentally sustainable and inclusive economic growth. In addition, ADB is committed to ensuring the social and environmental sustainability of the projects it supports. The goal of the Safeguard Policy Statement (SPS)² is to promote the sustainability of project outcomes by protecting the environment and people from potential adverse impacts of projects.
2. The objectives of ADB's safeguards are to
 - (i) avoid adverse impacts of projects on the environment and affected people, where possible;
 - (ii) minimize, mitigate, and/or compensate for adverse project impacts on the environment and affected people when avoidance is impossible; and
 - (iii) help borrowers/clients to strengthen their safeguard systems and develop the capacity to manage environmental and social risks.
3. ADB adheres to the objectives of the safeguards and is committed to their delivery. ADB assumes the responsibility for conducting due diligence and for reviewing, monitoring, and supervising projects throughout the ADB's project cycle in conformity with the principles and requirements embodied in the SPS. By adhering to its social and environmental safeguards, ADB enhances the predictability, transparency, and accountability of its actions and decision making; helps borrowers/clients manage social and environmental impacts and risks; and promotes the long-term sustainability of investments. Transforming this commitment into results on the ground depends on shared, but differentiated, efforts by ADB and its borrowers/clients.
4. ADB's SPS sets out the policy objectives, scope and triggers, and principles for three key safeguard areas:
 - (i) environmental safeguards,³
 - (ii) involuntary resettlement safeguards,⁴ and
 - (iii) Indigenous Peoples safeguards.⁵

¹ ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank 2008-2020*. Manila.

² ADB. 2009. *Safeguard Policy Statement*. Manila.

³ Footnote 2, p 16.

⁴ Footnote 2, p 17.

⁵ Footnote 2, p 18.

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5. To achieve the policy objectives and deliver the policy principles, ADB carries out the actions described in the subsection B of the SPS.⁶ To help borrowers/clients and their projects achieve the desired outcomes, ADB adopts a set of specific safeguard requirements that borrowers/clients are required to meet in addressing environmental and social impacts and risks. ADB staff, through their due diligence, review, and supervision, will ensure that borrowers/clients comply with these requirements during project preparation and implementation. These safeguard requirements are as follows:

- (i) Safeguard Requirements 1: environment,⁷
- (ii) Safeguard Requirements 2: involuntary resettlement,⁸
- (iii) Safeguard Requirements 3: Indigenous Peoples,⁹ and
- (iv) Safeguard Requirements 4: special requirements for different finance modalities¹⁰

6. ADB will not finance projects that do not comply with its SPS, nor will it finance projects that do not comply with the host country's social and environmental laws and regulations, including those laws implementing host country obligations under international law. In addition, ADB will not finance activities on the prohibited investment activities list.¹¹

7. This SPS applies to all ADB-financed and/or ADB-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.

8. ADB shall implement the SPS through the safeguard review procedures outlined in OM Section F1/OP.

Basis: This OM section is based on:

ADB. 2009. *Safeguard Policy Statement*. Manila.

This OM section is to be read with OM Section F1/OP.

Compliance: This OM section is subject to compliance review.

For inquiries: Questions of interpretation of this OM section are decided by the chief compliance officer.

⁶ Footnote 2, paras. 49–70.

⁷ Footnote 2, Appendix 1.

⁸ Footnote 2, Appendix 2.

⁹ Footnote 2, Appendix 3.

¹⁰ Footnote 2, Appendix 4.

¹¹ Footnote 2, Appendix 5.

OPERATIONS MANUAL OPERATIONAL PROCEDURES (OP)

These procedures were prepared for use by ADB staff and are not necessarily a complete treatment of the subject.

SAFEGUARD REVIEW PROCEDURES

A. Introduction

1. This *Operations Manual* (OM) section outlines the procedural requirements through which the Asian Development Bank (ADB) ensures the social and environmental sustainability of the projects it supports. The commitments are elaborated on in ADB's Safeguard Policy Statement (SPS).¹

2. ADB, through its due diligence, review, and supervision, ensures that the borrower/client complies with the safeguard policy principles and requirements laid out in the SPS and set out in Safeguard Requirements 1–4,² in the ADB prohibited investment activities list,³ and in the requirements for strengthening and use of country safeguard systems⁴ during project preparation and implementation.

B. Scope of Application

3. The SPS applies to all ADB-financed and/or ADB-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).

C. General Procedures

1. Project Identification

a. Project Screening and Categorization

4. The operations department screens and categorizes each proposed project at the project identification stage in accordance with the procedures in paras. 5–11. Project screening and categorization are undertaken to (i) determine the significance of potential impacts or risks that a project might present with respect to the environment, involuntary resettlement, and Indigenous Peoples; (ii) identify the level of assessment and institutional resources required to address safeguard issues; and (iii) determine the information disclosure and consultation requirements. Using environment, involuntary resettlement, and Indigenous Peoples screening checklists, the project team⁵ proposes an initial categorization for the project's potential environmental, involuntary resettlement, and Indigenous Peoples impacts and risks. As part of screening process, the operations department also proposes whether the project is to be considered highly complex and

¹ ADB. 2009. *Safeguard Policy Statement*. Manila.

² Footnote 1, Appendixes 1–4.

³ Footnote 1, Appendix 5.

⁴ Footnote 1, Appendix 6.

⁵ A project team consists of ADB staff and consultants responsible for project preparation, administration, and supervision throughout the project cycle.

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sensitive.⁶ The project team, through the sector division director, submits the initial checklists and categorization results to the chief compliance officer (CCO),⁷ through the Environment and Safeguards Division (RSES) of the Regional and Sustainable Development Department (RSDD), for concurrence or further discussion, as required. The CCO is responsible for the final categorization, and determination of whether a project is to be deemed highly complex and sensitive.

5. Projects are tentatively classified during the initial screening of anticipated impacts and risks, and this classification can be reconfirmed at the stage of management review meeting (MRM) or staff review meeting (SRM) for sovereign operations, or the final investment committee meeting (ICM) for nonsovereign operations. However, classification is an ongoing process, and the classification can be changed at any time with the concurrence of the CCO as more detailed information becomes available and project processing proceeds.

i. Environment

6. A proposed project is assigned to one of the following categories depending on the significance of the potential environmental impacts and risks:

- (i) **Category A.** A proposed project is classified as category A if it is likely to have significant adverse environmental impacts that are irreversible, diverse, or unprecedented. These impacts may affect an area larger than the sites or facilities subject to physical works. An environmental impact assessment (EIA), including an environmental management plan (EMP), is required.
- (ii) **Category B.** A proposed project is classified as category B if its potential adverse environmental impacts are less adverse than those of category A projects. These impacts are site-specific, few if any of them are irreversible, and in most cases mitigation measures can be designed more readily than for category A projects. An initial environmental examination (IEE), including an EMP, is required.
- (iii) **Category C.** A proposed project is classified as category C if it is likely to have minimal or no adverse environmental impacts. An EIA or IEE is not required, although environmental implications need to be reviewed.
- (iv) **Category FI.** A proposed project is classified as category FI if it involves the investment of ADB funds to, or through, a financial intermediary (paras. 54–59).

7. A project's environment category is determined by the category of its most environmentally sensitive component, including direct, indirect, induced, and cumulative impacts. Each proposed project is scrutinized as to its type, location, scale, sensitivity and the magnitude of its potential environmental impacts. The level of detail and comprehensiveness of the EIA or IEE are commensurate with the significance of the potential impacts and risks.

ii. Involuntary Resettlement

8. A proposed project is assigned to one of the following categories depending on the significance of the probable involuntary resettlement impacts:

⁶ Highly complex and sensitive projects are a subset of category A projects that ADB deems to be highly risky or contentious or involve serious, multidimensional and generally interrelated potential social and/or environmental impacts.

⁷ The President appoints the director general of RSDD as the CCO for safeguard policies.

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- (i) **Category A.** A proposed project is classified as category A if it is likely to have significant involuntary resettlement impacts. A resettlement plan, including assessment of social impacts, is required.
- (ii) **Category B.** A proposed project is classified as category B if it includes involuntary resettlement impacts that are not deemed significant. A resettlement plan, including assessment of social impacts, is required.
- (iii) **Category C.** A proposed project is classified as category C if it has no involuntary resettlement impacts. No further action is required.
- (iv) **Category FI.** A proposed project is classified as category FI if it involves the investment of ADB funds to, or through, a financial intermediary (paras. 54–59).

9. A project's involuntary resettlement category is determined by the category of its most sensitive component in terms of involuntary resettlement impacts. The involuntary resettlement impacts of an ADB-supported project are considered significant if 200 or more persons will experience major impacts, which are defined as (i) being physically displaced from housing, or (ii) losing 10% or more of their productive assets (income generating). The level of detail and comprehensiveness of the resettlement plan are commensurate with the significance of the potential impacts and risks.

iii. Indigenous Peoples

10. A proposed project is assigned to one of the following categories depending on the significance of the potential impacts on Indigenous Peoples:

- (i) **Category A.** A proposed project is classified as category A if it is likely to have significant impacts on Indigenous Peoples. An Indigenous Peoples plan (IPP), including assessment of social impacts, is required.
- (ii) **Category B.** A proposed project is classified as category B if it is likely to have limited impacts on Indigenous Peoples. An IPP, including assessment of social impacts, is required.
- (iii) **Category C.** A proposed project is classified as category C if it is not expected to have impacts on Indigenous Peoples. No further action is required.
- (iv) **Category FI.** A proposed project is classified as category FI if it involves the investment of ADB funds to, or through, a financial intermediary (paras. 54–59).

11. A project's Indigenous Peoples category is determined by the category of its most sensitive component in terms of impacts on Indigenous Peoples. The significance of impacts of an ADB-supported project on Indigenous Peoples is determined by assessing (i) the magnitude of impact in terms of (a) customary rights of use and access to land and natural resources; (b) socioeconomic status; (c) cultural and communal integrity; (d) health, education, livelihood, and social security status; and (e) the recognition of indigenous knowledge; and (ii) the level of vulnerability of the affected Indigenous Peoples community. The level of detail and comprehensiveness of the IPP are commensurate with the significance of potential impacts on Indigenous Peoples.

b. Initial Poverty and Social Analysis

12. An initial poverty and social analysis (IPSA) is required for all projects, programs, and facilities (excluding technical assistance) to be financed in whole or in part by a loan, grant and/or

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guarantee from ADB, and/or ADB-administered funds in order to identify social issues, including those related to involuntary resettlement and Indigenous Peoples.⁸ Based on the involuntary resettlement and Indigenous Peoples issues identified in the IPSA, a social analysis is carried out and its results, including the measures to address the social issues in a resettlement plan and IPP, are summarized in the summary poverty reduction and social strategy (SPRSS).⁹

c. Project Concept Paper

13. To the extent possible, the project team summarizes the results of the screening and records the proposed category in the project concept paper, and seeks comments and technical advice from RSES on the project concept paper. Once the concept paper is cleared, the project team reflects the screening results in the project data sheet (PDS), and makes the PDS publicly available in accordance with ADB's Public Communications Policy (2011).

2. Project Design and Preparation

a. Preparation and Review of Environmental and Social Assessments and Plans

14. Early in the project design, the project team discusses with the borrower/client the scope of the EIA, IEE, resettlement plan, IPP, and/or other instruments specified in this OM section (part D),¹⁰ as well as the procedures, schedules, and outlines for preparing these documents. The project team (i) confirms that the borrower/client understands ADB's safeguard policy principles and requirements set out in Safeguard Requirements 1–4 that apply to the project; and (ii) advises the borrower/client to submit the EIA, IEE, resettlement plan, IPP, and/or other instruments to ADB for review as early as possible. The project team includes appropriate social and environmental safeguard expertise in missions and field visits. The project team coordinates social and environmental due diligence processes to ensure that social impacts related to environmental media are appropriately addressed.

15. The operations department reviews the EIA, IEE, resettlement plan, IPP, and/or other instruments that have been submitted by the borrower/client, against the applicable safeguard policy principles and requirements set out in Safeguard Requirements 1–4. For projects classified as category A for environment, involuntary resettlement, or Indigenous Peoples, the operations department also seeks review and comments from RSES on the EIA,¹¹ resettlement plan, IPP, and/or other instruments. If the review of the operations department and/or RSES reveals gaps between the documents submitted by the borrower/client and applicable ADB requirements, the project team advises and assists the borrower/client in filling such gaps, and requires the borrower/client to address these concerns during the project preparation phase. The project team

⁸ An IPSA is required by ADB. 2010. Incorporation of Social Dimensions into ADB Operations. *Operations Manual*. C3/OP. Manila (6 December).

⁹ See OM C3/OP Incorporation of Social Dimensions into ADB Operations, para. 9.

¹⁰ Depending on the projects, a range of instruments can be used to satisfy ADB's requirements on environmental and social assessments and planning, including EIA, IEE, resettlement plan, IPP, environmental assessment and review framework, resettlement framework, Indigenous Peoples planning framework, audit, strategic environmental assessment, and environmental and social management system. One or more of these instruments apply to a project, as appropriate.

¹¹ In addition, environment category A projects are peer reviewed through the environment community of practice.

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assesses the borrower's/client's capacity to address environmental and social impacts and risks, identifies capacity building needs, and integrates necessary capacity building programs into the project design. For a highly complex and sensitive project, the operations department ensures that the borrower/client engages an independent advisory panel during project preparation and implementation, in consultation with ADB.

16. To supplement its own review, the operations department may request RSES to review and comment on (i) the IEE, resettlement plan, IPP, and/or other instruments for projects classified as category B for environment, involuntary resettlement, or Indigenous Peoples; and (ii) the arrangement for an environmental and social management system for projects classified as category FI. RSES reviews these documents, upon request. CCO can request operations departments to submit the safeguard documents of category B or FI projects for review by RSES.

b. Information Disclosure

17. The project team, through due diligence and review, determines how the borrower/client has met or will meet the information disclosure requirements outlined in Safeguard Requirements 1–4. The project team advises the borrower/client that information disclosure processes must be documented and appropriately reflected in the EIA, IEE, resettlement plan, and/or IPP. When the borrower/client submits the EIA, IEE, resettlement plan, and/or IPP, the operations department reviews them to confirm that (i) relevant information on potential project impacts and mitigation measures, including information from the EIA, IEE, resettlement plan, and/or IPP, has been made available, in a timely manner and before project appraisal, in an accessible place, and in a form and language(s) understandable to project-affected people and other stakeholders; and (ii) information disclosure requirements during project implementation are appropriately specified.

18. The operations department ensures that the following safeguard documents are posted on the ADB website: (i) draft EIA report at least 120 days before Board consideration for an environment category A project; (ii) draft environmental assessment and review framework (EARF), draft resettlement framework and/or draft resettlement plan, draft Indigenous Peoples planning framework (IPPF) and/or draft IPP before project appraisal for a sovereign project,¹² or before the final ICM for a nonsovereign project; and (iii) the final¹³ or updated EIA, IEE, resettlement plan, and/or IPP upon receipt. The project team makes the draft IEE reports available to interested stakeholders before project approval by the Board on request. In addition, if the final IEE is not available upon Board approval, the draft IEE is posted on the ADB website upon Board approval of a project.

c. Consultation and Participation

19. The project team advises the borrower/client that meaningful consultation with affected people will be carried out, and the consultation processes will be appropriately documented in the EIA, IEE, resettlement plan, and/or IPP. The operations department, through due diligence and review, determines how the borrower/client has met or will meet the requirements on consultation and participation outlined in Safeguard Requirements 1–4. The project team pays special attention to ensure that vulnerable groups have sufficient opportunities to participate in consultations. For

¹² If no further mission for appraisal is required, these documents are posted on ADB's website before the MRM or the first SRM.

¹³ If no revision is made to the draft EIA, IEE, resettlement plan, and/or IPP, they are treated as final documents.

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projects classified as category A for environment, involuntary resettlement, or Indigenous Peoples, the project team participates in consultations to understand the main concerns of the project-affected people so that these concerns and recommendations can be adequately addressed in project design and safeguard plans.

20. Safeguard Requirements 3 requires that the borrower/client and ADB ascertain whether there is broad community support from affected Indigenous Peoples communities under three circumstances.¹⁴ In such cases, ADB requires the borrower/client to document the processes and outcomes of consultation with, and participation of, affected Indigenous Peoples communities. Such documents are submitted to ADB for review. The operations department reviews the consultation process documentation done by the borrower/client, and also through its own investigation, verifies that broad community support for the project activities has been demonstrated. ADB does not proceed further with project processing if it is unable to determine that such broad support by affected Indigenous Peoples communities exists.

d. Project Appraisal

21. The project appraisal process¹⁵ for a sovereign project, or the due diligence process for a nonsovereign project, includes appropriate social and environmental safeguard expertise. The appraisal or due diligence process appraises and confirms with the borrower/client that (i) the social and environmental safeguard measures recommended in the EMP, resettlement plan, IPP, and/or other instruments are properly integrated into the project design; (ii) adequate institutional capacity and arrangements are in place for implementing the EMP and/or EARF, resettlement plan and/or resettlement framework, IPP and/or IPPF, and/or other instruments; (iii) third-party risks¹⁶ are appropriately addressed; and (iv) the financing arrangements for implementing the EMP and/or EARF, resettlement plan and/or resettlement framework, IPP and/or IPPF, and/or other instruments are adequate. The appraisal or due diligence process seeks to resolve all outstanding applicable safeguard issues.

e. Report and Recommendation of the President

22. In the formulation of project documents for the submission to the Board, the project team documents in the report and recommendation of the President (RRP) for sovereign projects, or in

¹⁴ Indigenous Peoples may be particularly vulnerable when project activities include (i) commercial development of the cultural resources and knowledge of Indigenous Peoples; (ii) physical relocation from traditional or customary lands; and (iii) commercial development of natural resources within customary lands under use that have potential impacts on the livelihoods or the cultural, ceremonial, or spiritual uses that define the identity and community of Indigenous Peoples. According to Safeguard Requirements 3, if such activities occur, the borrower/client and ADB ascertain that broad community support for such activities by the affected Indigenous Peoples' communities exists, before proceeding further with the project processing. Broad community support is a collective expression by the affected Indigenous Peoples' communities, through individuals and/or their recognized representatives, of support for such project activities. Broad community support by affected Indigenous Peoples' communities may exist even if some individuals or groups object to the project activities.

¹⁵ Project appraisal process refers to as an overall assessment of the relevance, feasibility, and potential sustainability of a project before its approval.

¹⁶ At times, a third party's involvement will influence implementation of social and environmental outcomes. A third party may be, inter alia, a government agency, a contractor, or an operator of an associated facility. ADB requires that the borrower/client collaborate with the third party to achieve the outcomes consistent with the ADB's requirements, when the third-party risk is high and the borrower/client has control or influence over the actions and behavior of the third party. Specific actions will be determined on a case-by-case basis.

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the Board paper for nonsovereign projects, the project's environment, involuntary resettlement, and Indigenous Peoples categories, as well as the main findings and conclusions of due diligence and review. The findings and conclusions include (i) the major anticipated social and environmental impacts, and the adequacy of environmental and social impact assessments; (ii) the adequacy of mitigation measures and safeguard planning documents (including the EMP and/or EARF, resettlement plan and/or resettlement framework, and IPP and/or IPPF); (iii) the adequacy of the institutional capacity and commitment of the borrower/client to manage social and environmental risks, or the arrangements for an environmental and social management system for category FI projects; and (iv) the proposed capacity development program as part of the project design, where needed. The project's compliance with ADB information disclosure and consultation requirements is also discussed. For projects where broad community support by affected Indigenous Peoples communities must be ascertained, the RRP records the project team's verification of such support.

23. For projects classified as category A for environment, involuntary resettlement, or Indigenous Peoples, the CCO informs Management of the status of compliance of a proposed project with all applicable safeguard requirements before the MRM or the final ICM by issuing a safeguard policy compliance memorandum (SPCM). For all projects, the operations department confirms to Management that all applicable safeguard requirements have been met before Management approves circulation of the RRP or the Board paper to the Board.

3. Legal Agreements

24. The project team ensures that legal agreements include adequate covenants to address implementation of the SPS and specifically the EMP and/or EARF, resettlement plan and/or resettlement framework, IPP and/or IPPF, and/or other instruments, where applicable, including the submission of monitoring reports. The versions of the EMP and/or EARF, resettlement plan and/or resettlement framework, IPP and/or IPPF, and/or other instruments that ADB and the borrower/client have agreed upon are referred to in legal agreements. Where relevant, the legal agreement includes clauses on obligation of the borrower/client to incorporate safeguard requirements in bidding documents and civil work contracts.

4. Project Monitoring and Supervision

25. ADB reviews and supervises project performance against the commitments of the borrower/client, as described in the legal agreements. Monitoring of the implementation of the EMP and/or EARF, resettlement plan and/or resettlement framework, IPP and/or IPPF, and/or other instruments is integrated into project performance reports.

26. For all projects with environmental or social impacts, project review missions visit project sites to ascertain the status of implementing the EMP and/or EARF, resettlement plan and/or resettlement framework, IPP and/or IPPF, and/or other instruments. In addition, for projects classified as category A for environment, involuntary resettlement, and Indigenous Peoples, the operations department conducts supervision missions, with detailed review by ADB's safeguard specialists, officers and/or consultants. The frequency of supervision missions is proportionate to the nature and potential impacts and risks. For highly complex and sensitive projects, the operations department confirms that the borrower/client continues to engage an independent advisory panel during project implementation in consultation with ADB.

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27. The operations department reviews periodic environment, resettlement, and Indigenous Peoples monitoring reports submitted by borrowers/clients. The project team ensures that the borrower/client submits the following monitoring reports to ADB for review: (i) semiannual reports during project construction, and annual reports during project operation for environment category A projects; and periodic monitoring reports for environment category B projects as deemed appropriate by ADB; (ii) semiannual reports for involuntary resettlement category A and B projects; (iii) semiannual monitoring reports for Indigenous Peoples category A and B projects; and (iv) quarterly monitoring reports for highly complex and sensitive projects.

28. If any of the safeguard requirements that are covenanted in the legal agreements are found not to be satisfactorily met, ADB requires the borrower/client to develop and implement an appropriate corrective action plan (CAP) agreed upon with ADB to rectify unsatisfactory safeguard compliance. ADB may also consider exercising its legal remedies, including suspension, cancellation, or acceleration of maturity, specified in the legal agreements.

29. The environment, resettlement, and Indigenous Peoples monitoring reports, and the CAP if any, submitted by borrower/clients during project implementation are disclosed on the ADB website upon receipt.

30. ADB's monitoring and supervision activities are carried out on an ongoing basis until a project completion report (PCR)¹⁷ is issued.

5. Uncertainties in Location and Alignment of Infrastructure and Unanticipated Impacts

31. Where specific locations or alignments of major infrastructure or project facilities are uncertain at the time of Board approval, the operations departments reviews and confirms that the EMP and/or EARF, resettlement plan and/or resettlement framework, IPP and/or IPPF, and/or other instruments present the agreed processes to be followed for (i) updating environmental and social assessments, including any special studies on environmental, involuntary resettlement, and Indigenous Peoples issues, and specification of mitigation measures during project implementation; (ii) the institutional arrangements, including capacity development for managing environmental and social impacts and risks associated with the uncertainties; and (iii) the financial commitment, including counterpart funds for implementing the mitigation measures. The project team assists the borrower/client in drafting the terms of references for consultants for relevant tasks, where needed. The agreed process is also summarized in the RRP or the Board paper, and is included in legal agreements.

32. If any unanticipated environmental or social impacts become apparent during project implementation, the operations department advises and requires the borrower/client to (i) assess the significance of such unanticipated impacts; (ii) evaluate the options available to address them; and (iii) prepare or update the EIA, IEE, resettlement plan, IPP, and/or other instruments. ADB helps the borrower/client mobilize the resources required to mitigate any adverse unanticipated impacts or damage.

¹⁷ For a sovereign project, ADB issues a PCR within 1–2 years after the project is physically completed and in operation. For a nonsovereign project for which a PCR is not issued, an expanded annual review report is prepared after early operating maturity.

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6. Change of Loan and/or Grant-Funded Projects

33. All major changes in scope are screened and classified in accordance with the procedures described in paras 4–11.¹⁸ Proposed major changes in scope that are classified as category A for environment, involuntary resettlement, or Indigenous Peoples require a new or updated EIA, resettlement plan, or IPP. Those classified as category B require a new or updated IEE, resettlement plan, or IPP. Those classified as category FI require an ESMS or an update of the ESMS (paras. 54–59). The operations department reviews the new or updated EIA, resettlement plan, and/or IPP, and seeks further comments from RSES on these documents before approval of the change in scope, if the proposed change in scope is classified as category A. The operations department reviews and clears the new or updated IEE, resettlement plan, and/or IPP before approval of the change in scope, if the proposed change in scope is classified as category B. The operations department ensures the following documents are disclosed on the ADB website: (i) the new or updated draft EIA report at least 120 days before the change in scope is approved; and (ii) the new or updated IEE, resettlement plan, and IPP upon receipt.

7. Additional Financing

34. ADB may provide additional financing to an ongoing project.¹⁹ When additional financing is required to scale up or modify a project,²⁰ the incremental activities that such financing will support are screened and classified in accordance with the procedures described in paras 4–11. Proposed additional financing that is classified category A for environment, involuntary resettlement, or Indigenous Peoples requires a new or updated EIA, resettlement plan, or IPP. Those classified category B require new or updated IEE and/or EARF, resettlement plan and/or resettlement framework, or IPP and/or IPPF. Those classified category FI require an ESMS or an update of the ESMS (paras. 54–59). The operations department reviews all new or updated EIA, IEE and/or EARF, resettlement plan and/or resettlement framework, IPP and/or IPPF, and/or other instruments. For category A additional financing, the operations department seeks review and comment from RSES on new or updated EIA, resettlement plan, IPP, and/or other instruments. The operations department ensures the following documents are disclosed on the ADB website: (i) the new or updated draft EIA report at least 120 days before the additional financing project is approved; (ii) the draft EARF, resettlement plan and/or resettlement framework, and/or IPP/IPPF before the MRM, SRM, or final ICM; (iii) the draft IEE upon request before approval of the additional financing; and (iv) the final IEE upon approval of the additional financing.

35. When additional financing is provided to bridge cost overruns and financing gaps within the existing project scale and scope, it is classified category C for environment, involuntary resettlement, and Indigenous Peoples safeguards.

¹⁸ The definition of major change is set out in ADB. 2011. Change of Loan and/or Grant Funded Projects. *Project Administration Instructions*. PAI 5.02. Manila. 13 May 2013.

¹⁹ The requirements under this section will also apply to additional financing for multitranche financing facility.

²⁰ For a project that falls under the Environment Policy (2002), Involuntary Resettlement Policy (1995), and/or Policy on Indigenous Peoples (1998), any additional financing that will scale up the project applies the SPS (2009).

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7. Project Completion

36. The operations department prepares the PCR for sovereign projects, or the expanded annual review report for nonsovereign projects, which includes an evaluation of the implementation of safeguard plans and the degree of compliance with safeguard-related covenants. The PCR includes the following core topics, where applicable: (i) the degree and the quality of the participation of project-affected people in the project cycle; (ii) if the project involved involuntary resettlement, a comparison of the livelihoods of the displaced persons with the baseline situation; (iii) if there were significant impacts on livelihood caused by project activities other than land acquisition, a comparison of the livelihoods of the affected persons with the baseline situation; (iv) the achievement of the objectives of the EMP and/or EARF, resettlement plan and/or resettlement framework, IPP and/or IPPF, and/or other instruments; and (v) lessons learned for future operations.

37. If the objectives of the EMP and/or EARF, resettlement plan and/or resettlement framework, IPP and/or IPPF, and/or other instruments have not been realized, or if some safeguard issues are outstanding, the PCR recommends additional measures necessary to resolve these issues, and ADB engages with the borrower/client to take appropriate actions to address the issues.

8. Project Evaluation

38. The Independent Evaluation Department includes an analysis of the adequacy of the EMP and/or EARF, resettlement plan and/or resettlement framework, IPP and/or IPPF, and/or other instruments of the project and the effectiveness of their implementation whenever a project performance evaluation report is prepared. The project performance evaluation report assesses the project's relevance, effectiveness, efficiency, and sustainability with consideration given to social and environmental impacts. The evaluation also comments on (i) the content and objectivity of the PCR with regard to safeguard issues; (ii) compliance with safeguard covenants in the legal agreements; (iii) the lessons learned; and (iv) follow-up actions, if any.

D. Special Procedures for Different Financing Modalities

39. Project loans follow the procedures detailed in this OM section (part C). A number of financing modalities require special procedures to address environmental and social impacts and risks.

1. Policy-Based Lending

40. ADB requires that the environmental and social impacts of policy actions associated with policy-based loans be evaluated, and that appropriate mitigation measures be identified and incorporated as loan covenants. The environmental and social assessments focus on the policy actions to be supported by the policy-based loan. A matrix of potential environmental and social impacts of each policy action, together with appropriate mitigation measures, is prepared. It includes a qualitative indication of the likely order of magnitude of each impact and brief reasons for the judgment. The project team works together with the borrower/client to prepare the matrix. A strategic environmental assessment and social assessments, which facilitate systematic evaluation of the environmental and social impacts of a policy, plan, or program and its alternatives, may be usefully applied in the preparation of policy-based loans, and ADB will encourage the

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borrower/client to use these tools, where appropriate. For a category A policy-based loan project where a strategic environmental assessment (SEA) is prepared, the draft SEA is disclosed on the ADB website 120 days before the Board's consideration.

2. Safeguard Frameworks

a. Sector Lending

41. Under sector financing, most subprojects are unlikely to be identified before Board approval. An EARF, resettlement framework, and/or IPPF, following the outlines detailed in Safeguard Requirements 4, are required to be in place before the approval of a sector investment project to provide guidance on subproject selection, screening and categorization, information disclosure and consultation, assessment, planning, institutional arrangement, and processes to be followed in the formulation and implementation of subprojects during project implementation.

42. The project team (i) reviews the potential environmental and social impacts and the risks associated with a sector investment project; (ii) assesses the capacity of the borrower/client for social and environmental management; and (iii) incorporates capacity development measures in the design of the sector investment project. For any sector investment project that is classified as category A or B for environment, involuntary resettlement, or Indigenous Peoples impacts, the project team works with the borrower/client to prepare an EARF, resettlement framework, or IPPF. One or more sample subprojects will be appraised before project approval. For the sample subproject(s), ADB requires the borrower/client to prepare EIA(s), IEE(s), resettlement plan(s), and/or IPP(s) in accordance with the general procedures detailed in this OM section (part C). The operations department reviews the EARF, resettlement framework, IPPF, EIA(s) and/or IEE(s), resettlement plan(s), and IPP(s) of the sample subproject(s). For a sector investment project that is classified as category A for environment, involuntary resettlement, or Indigenous Peoples impacts, the operations department also seeks review and comment from RSES on these documents.

43. To determine whether the application of safeguard frameworks is appropriate, the project team will assess the capacity of the borrower/client to manage environmental and social impacts and risks, and to implement national laws and ADB's requirements. If gaps exist between ADB's requirements and a country's laws, or where gaps in a borrower's capacity are apparent, the safeguard frameworks should include the details of the specific gap-filling requirements to ensure that ADB policy principles and safeguard requirements are achieved.

44. For any subproject classified as category A that is prepared during project implementation, the operations department reviews the EIA, resettlement plan, and IPP; and seeks RSES comments. For any subproject classified as category B that is prepared during project implementation, the operations department ensures the reviews and clearance of the IEE, resettlement plan, and IPP. The operations department ensures that the draft EIA report is disclosed on the ADB website at least 120 days before the approval of the subproject, and that the draft resettlement plan and draft IPP for category A projects are posted on the ADB website before the approval of the subproject.

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b. Multitranche Financing Facility

45. An EARF, resettlement framework, and/or IPPF are prepared for a multitranche financing facility (MFF). ADB and the borrower/client agree on the EARF, resettlement framework, and/or IPPF, which are incorporated by reference into the framework facility agreement. The EARF, resettlement framework, and/or IPPF include key elements specified in Safeguard Requirements 4, which provide guidance on social and environmental screening and categorization, impact assessments, development of management plans, public consultation and information disclosure, monitoring and reporting, and institutional arrangements (including budget and capacity development). This guidance is to be followed in the formulation of project components and subprojects that are prepared after Board approval of the MFF, including the criteria for component or subproject selection. The operations department assists the borrower/client in preparing the safeguard frameworks, and seeks RSES review.

46. In addition, where significant sector or regional environmental impacts from the investments under an MFF are anticipated, ADB requires the borrower/clients to undertake a strategic environmental assessment to identify mitigation measures to be built into the MFF design.

47. The MFF as a whole is not screened and categorized as to its environment, involuntary resettlement, or Indigenous Peoples impacts. Instead, each tranche of the MFF is screened and categorized according with the procedures set out in paras. 4–11 of this OM section. For any tranche classified as category A for any of its environment, involuntary resettlement, or Indigenous Peoples impacts, the operations department reviews the EIA and/or EARF, resettlement plan and/or resettlement framework, and/or IPP and/or IPPF. The operations department seeks comments on these documents from RSES, which issues an SPCM before the MRM for the first tranche and before Management considers the periodic financing request (PFR) for the second and subsequent tranches. For any tranche classified as category B or FI, the operations department reviews the IEE and/or EARF, resettlement plan and/or resettlement framework, and/or IPP and/or IPPF, or environmental and social management system (ESMS), respectively. For all tranches, the operations department confirms that all applicable safeguard requirements have been met before Management considers the PFR.

48. The operations department ensures the following documents are posted on the ADB website: (i) EARF, resettlement framework, and IPPF prepared for the MFF before the appraisal of the MFF; (ii) the draft EIA report for the tranche, where applicable, at least 120 days before the approval of the PFR; (iii) the draft resettlement plan and draft IPP before appraisal, in case of the first tranche, and before Management's consideration of the related PFR in the case of a subsequent tranche; and (iv) the final or updated EIA, IEE, resettlement plan and/or IPP upon receipt for all tranches.

49. When the operations department prepares the consolidated annual report on the performance of all approved MFFs in each country,²¹ the report will reflect safeguard-related risks and issues, and actions being taken to mitigate the risks and resolve the issues, if any.

²¹ Such annual reports are required by ADB. 2010. Multitranche Financing Facility. *Operations Manual*. D14/OP. Manila (18 May), para. 37.

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c. Emergency Assistance and Projects in Fragile and Conflict-Affected Situations

50. For emergency assistance loans, the project team works with the borrower/client to prepare the EARF, resettlement framework, and IPPF before Board circulation of the project RRP, in accordance with the EARF, resettlement framework, and IPPF outlines detailed in Safeguard Requirements 4. The EARF, resettlement framework, and IPPF are provided in appendixes to the RRP. ADB's Disaster and Emergency Policy (2004) allows procedural flexibility in the application of the safeguard requirements. The RRP justifies any deviation from the general procedures specified in this OM section, regarding the specific circumstances of the project and the emergency loan processing schedule.

51. For projects in fragile and conflict-affected situations, where the formulation of standard EIA, IEE, resettlement plan, and/or IPP is not feasible before Board approval, the EARF, resettlement framework, and/or IPPF may be submitted in lieu of safeguard plans for project approval. The RRP justifies any deviation from the general procedures specified in this OM section. The EIA, IEE, resettlement plan, and/or IPP prepared based on the approved frameworks are formulated and approved before any project-related physical activities start.

d. Project Loans with Subprojects or Components Prepared after Board Approval

52. For project loans where subprojects or components are prepared after Board approval and have limited anticipated environment, involuntary resettlement, and Indigenous Peoples impacts, the EARF, resettlement framework, and IPPF may be submitted in lieu of safeguard plans for such subprojects or components. The RRP justifies any deviation from the general procedure specified in this OM section. The environment and social assessments and safeguard planning documents are formulated and approved before any physical activities start.

3. Existing Facilities

53. For projects involving facilities and/or business activities that already exist or are under construction before ADB's involvement, ADB requires the borrower/client to conduct an environment and/or social compliance audit to determine their safeguard compliance status. The project team confirms that the audit by the borrower/client includes on-site environmental and social assessments to identify past or present safeguards concerns related to the impacts on the environment, involuntary resettlement and Indigenous Peoples. Where noncompliance is identified, ADB and the borrower/client agree on a CAP, implementation schedule, and sufficient funds to bring the project into compliance with the safeguard policy requirements. If an upgrade or expansion of a project is not foreseen, the audit report (including the CAP, if any) constitutes the EIA, IEE, resettlement plan, and/or IPP. The audit report is disclosed on the ADB website following the disclosure requirements in this OM section (part C). For a project involving an upgrade or expansion of existing facilities that have potential impacts on the environment, involuntary resettlement, or Indigenous Peoples, the requirements for environmental and social assessments and planning specified in this OM section (part C) apply in addition to the audit.

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4. Financial Intermediaries

54. In the case of financial intermediaries, the term "project" is used to mean ADB's transaction with the financial intermediary, whereas "subproject" means business activities financed by the financial intermediary.

55. The project team conducts safeguard due diligence to assess potential environmental and social impacts and risks associated with a financial intermediary's existing and likely future portfolios, as well as its commitment to and capacity for environmental and social management. If ADB's assessment concludes that the financial intermediary's business activities have minimal or no environmental impacts or risks, and are unlikely to generate involuntary resettlement impacts and impacts on Indigenous Peoples, the project is treated as a category C project. As such, the project team advises the financial intermediary that it need not apply any other specific safeguard requirements.

56. If a financial intermediary is likely to generate environmental and social impacts, the project team undertakes an in-depth assessment of its current ESMS, and identifies areas where improvements are needed. The project team examines the financial intermediary's ESMS focusing on the financial intermediary's (i) environmental and social policies; (ii) safeguard screening, categorization, and review procedures; (iii) current organization structure and staffing; (iv) performance monitoring and reporting procedures; and (v) track record in environmental and social management. If the financial intermediary does not have an ESMS, ADB requires it to establish and maintain an ESMS commensurate with the level of potential environmental and social impacts and risks. Depending on the size of the financial intermediary and nature of its business activities, ADB requires the financial intermediary to appoint a suitably qualified officer to oversee environmental and social aspects, and appoint one or more staff for day-to-day implementation of the ESMS. The screening procedure established under the ESMS should ensure all subprojects are screened against the prohibited investment activities list.²² Subprojects involving business activities included in the list are not qualified for financial intermediary support using ADB funds, and applications involving such activities are to be rejected. The operations department ensures that an ESMS satisfactory to ADB is adopted by the financial intermediary before ADB's first disbursement for the financing of subprojects.

57. Where the subprojects financed by the financial intermediary using ADB funds, through either credit-line, other loans, equity, guarantee, or other financing instrument, will likely be classified as category A for any of their environment, involuntary resettlement, or Indigenous Peoples impacts, the ESMS incorporates relevant provisions that such subprojects meet ADB's requirements specified in Safeguard Requirements 1–3 in addition to national laws and standards. In such subprojects, the project team requires the financial intermediary to refer those subprojects to ADB early in its due diligence process. The operations department assists the financial intermediary in appraising these subprojects. ADB (i) reviews the environmental and social information collected by the financial intermediary, (ii) determines any additional information needed, (iii) assists with determining appropriate mitigation measures, and (iv) specifies conditions under which the subprojects may proceed. For such subprojects, ADB clears the EIA, resettlement plan, and/or IPP before subproject approval, and the project team ensures that the following documents are made publicly available: (i) the draft EIA report at least 120 days before the

²² Footnote 1, Appendix 5.

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approval of the subproject, and (ii) the draft resettlement plan and draft IPP before the approval of the subproject.

58. Except for financial intermediaries that have minimal or no adverse environmental and social impacts or risks, the project team requires the financial intermediary to prepare and submit periodic reports (at least annually) on the implementation status of its ESMS. If an annual report or ADB's review mission finds that the ESMS is not functioning properly, the operations department and the financial intermediary agree on a CAP immediately. The financial intermediary implements the CAP.

59. The RRP or the Board paper summarizes the results of the project team's due diligence, as well as the agreed upon arrangement for the ESMS and the procedure for subproject review by ADB, where applicable. The agreed upon requirements for establishing and maintaining the ESMS, and the procedure for subproject review by ADB where applicable, are included in the legal agreement between ADB and the financial intermediary.

5. General Corporate Finance

60. If a borrower/client with operations at multiple sites is seeking general corporate finance, working capital, or equity financing from ADB, the project team advises and requires the borrower/client to commission qualified and experienced external expert(s) to conduct a corporate audit of the ESMS of the borrower/client and the company's past and current performance against ADB requirements.²³ The audit (i) assesses the capacity of the borrower/client to manage all environmental and social impacts and risks of its businesses and operations, particularly the issues identified in the Safeguard Requirements 1-3; (ii) assesses the client's compliance record with the applicable laws and regulations of the jurisdictions in which the project operates, including those laws implementing host country obligations under international law; and (iii) identifies the company's main stakeholder groups and current stakeholder engagement activities. The client and ADB agree on the scope of the corporate audit on a case-by-case basis.

61. The operations department reviews the adequacy of the ESMS of the borrower/client to enable compliance of future subprojects with ADB's requirements through site visits and a review of the corporate audit report submitted by the borrower/client. If any noncompliance is identified through ADB's due diligence and review, ADB reaches an agreement with the borrower/client on a CAP by specifying time-bound measures to achieve safeguard compliance in accordance with ADB's requirements within a targeted time frame. ADB requires the borrower/client to incorporate the CAP in its corporate ESMS.

62. The RPP or the Board paper summarizes the results of project team's due diligence and review. The agreed upon requirements for establishing and maintaining the ESMS are included in the legal agreement between ADB and the borrower/client.

²³ General corporate finance refers to ADB projects where the borrower/clients (corporate entities that are not financial intermediaries) with operations at multiple sites (e.g., equipment leasing companies or holding companies with many subsidiaries) are seeking loans and/or investment that are not earmarked for implementing specific subprojects, or working capital or equity financing from ADB.

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63. If the investment includes rehabilitation, modernization, or expansion of existing facilities, the requirements for existing facilities, as specified in para. 53, apply.

6. Projects with Cofinancing

64. ADB makes efforts to collaborate with the borrower/client and cofinanciers in adopting a single social and environmental assessment and planning process and unified safeguard documentation, consultation, and disclosure requirements to satisfy the safeguard principles and requirements of ADB and the cofinanciers. The agreement or MOU between ADB and the cofinanciers explains how the responsibilities of ADB and the cofinanciers for monitoring and supervising safeguard implementation are allocated.

E. Strengthening and Use of Country Safeguard Systems

1. Identifying Candidate Countries, Sectors, and Agencies

65. The operations department discusses with the borrower, and proposes the strengthening and use of country safeguard systems (CSS) at the national, subnational, sector, or agency level.²⁴ The proposal to strengthen and use CSS is circulated for interdepartmental comments. The operations department notifies the Board of Directors of the proposal. To the extent possible, the proposal, together with its justification and arrangement for undertaking equivalence and acceptability assessments, is presented in a reference document of the country partnership strategy (CPS). Alternatively, the operations department prepares a freestanding proposal.

66. The country team also consults and coordinates closely with the World Bank and other possible development partners when preparing the proposal.

2. Assessing Equivalence and Acceptability

67. The operations department reaches an agreement with RSES and the Office of the General Counsel on the respective responsibilities for CSS equivalence and acceptability assessments. The assessment process involves ADB personnel with appropriate policy, environmental, social, and legal expertise. The equivalence and acceptability assessments at the national, subnational, sector, or agency level may be prepared as a reference document of the CPS or as a freestanding document. The acceptability assessment at the project level is undertaken as part of the project preparatory work.

68. The elements of equivalence and acceptability assessments are (i) review of the relevant national, subnational, or sector legislation, regulations, rules, and procedures (equivalence assessment); (ii) assessment of borrower implementation practices, track record, and institutional capacity, through discussion and consultation with experts and other stakeholders, and field visits (acceptability assessment); (iii) identification of areas of the proposed CSS that would need to be strengthened to satisfy the policy objectives, scope, triggers and applicable principles set out in the SPS, and of aspects of implementation practices and institutional capacity that need to be improved to achieve acceptability; and (iv) specification of any actions required of the borrower to

²⁴ Use of a CSS will include a limited number of developing member countries with a focus on the subnational, sector, or agency level during the first 3 years after the SPS becomes effective.

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(a) achieve and maintain equivalence; (b) achieve and maintain acceptability with respect to relevant implementation practices, track record, and capacity; and (c) implement the action plan according to the timetable agreed upon with ADB. ADB's decisions on and support for the strengthening and use of CSS are based on the equivalence and acceptability assessments. ADB may provide technical assistance for the activities to strengthen CSS.

69. Recent analytical work and diagnostic assessments by other development partners, updated as required, can provide valuable inputs. Joint assessments with other development partners, particularly the World Bank, are encouraged.

3. Disclosure and Consultation

70. Upon completion, draft equivalence and acceptability assessments are documented and disclosed on the ADB website for public comment. ADB organizes country consultations to solicit comments and feedback from stakeholders, including governments and civil society organizations. Upon completion, ADB discloses the final equivalence and acceptability assessments on the ADB website. Acceptability assessments at the project level follow the standard safeguard document disclosure and consultation process undertaken for project processing. Updates of equivalence assessments, if any, are also disclosed on the ADB website upon completion.

4. Further Documentation

71. Based on the findings and recommendations of the equivalence and acceptability assessments, the operations department reviews the original proposal for the strengthening and use of CSS with the borrower, and reach an agreement on an updated proposal to use CSS in ADB-supported projects, including the implementation of the recommended action plans to achieve and maintain equivalence and implementation capacity. The operations department seeks RSES review and comments on the updated proposal. The operations department submits the updated proposal to the Board of Directors for approval, and attaches the equivalence and acceptability assessments to the proposal. The updated proposal can be submitted as a reference document of the CPS or as a freestanding document.

72. For projects where CSS are to be used, the project team summarizes the plan to use CSS when the-PDS is prepared and updated during project preparation. For such projects, the main text of the RRP specifies which safeguard policy areas (environment, involuntary resettlement, or Indigenous Peoples) apply to the project. It also contains the major findings of the equivalence and acceptability assessments, and indicates any actions the borrower/client or ADB must take to achieve and maintain equivalence and acceptability.

5. Legal Agreement

73. For projects where CSS are applied, the legal agreement reflects, as appropriate, the key feature of the CSS and any additional measures that the borrower would be required to undertake during project implementation. The legal agreement sets out the remedies available to ADB if the provisions of the agreement are not followed.

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6. Implementation and Supervision

74. The use of CSS does not eliminate ADB's responsibilities for safeguard review before Board approval of proposed projects. The review is based on requirements under the CSS and on the agreed upon action plan. After the Board approves a project that uses CSS, ADB supervision follows the same procedures as for any other investment project.

7. Changes in Country Safeguard Systems

75. If, during CSS application, there are changes in applicable legislation, regulation, rules, or procedures at national, subnational, sector, or agency level, ADB assesses the effect of those changes and discusses them with the borrower. If, in the judgement of ADB, the changes reflect a further improvement in the CSS, and if the borrower so requests, ADB may agree to (i) revise the legal agreement applicable to the operation to reflect these improvements, and to amend the legal agreement as necessary; and (ii) update the equivalence and acceptability assessments. Management documents, explains, and justifies any changes to such agreement, and submits them for Board approval (normally on a no-objection basis). If the CSS is changed in a manner inconsistent with the legal agreement between the borrower and ADB, ADB's contractual remedies apply.

8. Exclusion of Country Safeguard Systems

76. CSS are not to be applied to ADB-supported projects that ADB deems to be highly complex and sensitive.

F. Departmental Responsibilities and Compliance

77. The operations departments are responsible for safeguard policy implementation. The operations departments undertake initial screening of potential environmental and social impacts, and propose the environment, involuntary resettlement, and Indigenous Peoples categorization of all ADB-financed projects in consultation with RSES. The CCO approves the final categorization. The operations departments are responsible for (i) advising the borrower/client on the relevant ADB safeguard policy requirements; (ii) reviewing safeguard documents submitted by the borrower/client and assessing the adequacy of mitigation measures, as well as the capacity of the borrower/client to manage environmental and social impacts and risks; (iii) assisting the borrower/client in safeguard planning and incorporating the necessary capacity development activities into the project design; and (iv) monitoring and supervision during project implementation.

78. The CCO, assisted by RSES, is responsible for reviewing and updating ADB safeguard policy, monitoring ADB-wide compliance with ADB's safeguard policy requirements, and advising and assisting operations departments in safeguard policy matters. The CCO, assisted by RSES, advises Management on safeguard policy issues and the compliance status of projects and the portfolio as a whole. RSES is responsible for developing and updating safeguard guidelines and handbooks; capacity development and training on safeguard policies; and supporting operations departments' safeguard due diligence, review, or supervision. RSES also conducts safeguard review missions for selected ongoing projects.

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- Basis:** This OM section is based on OM Section F1/BP and the documents cited therein.
- Compliance:** This OM section is subject to compliance review.
- For inquiries:** Questions of interpretation of this OM section are decided by the chief compliance officer.

This supersedes OM Section
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