



Technical Assistance Consultant's Report

Project Number: 46436
January 2014

Independent State of Samoa: AgriBusiness Support Project Supplementary Documents: Financial Intermediary—Environmental and Social Management System Arrangement

Prepared by John Hardin, Steve Lindsay
Apia, Samoa

For Ministry of Finance

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Asian Development Bank

CURRENCY EQUIVALENTS (December 2013)

Currency unit	-	Tala (ST)
ST 1.00	=	US\$ 0.44
US\$ 1.00	=	WST 2.27

ABBREVIATIONS

ADB	-	Asian Development Bank
AP	-	Affected People
ASP	-	Agricultural Sector Plan
BSS	-	Business Support Services
CEAR	-	Comprehensive Environmental Assessment Report
COEP	-	Codes of Environmental Practice
CSS	-	Country Safeguard Systems
EIA	-	Environmental Impact Assessment
EMP	-	Environmental Management Plan
ESMS	-	Environmental and Social Management System
FM	-	Facility Manager
GDP	-	Gross Domestic Product
GRM	-	Grievance Redress Mechanism
IEE	-	Initial Environmental Examination
IP	-	Indigenous People
IPP	-	Indigenous Peoples Plan
IR	-	Involuntary Resettlement
IRP	-	Involuntary Resettlement Plan
MCIL	-	Ministry of Commerce, Industry and Labour
M&E	-	Monitoring and Evaluation
MOF	-	Ministry of Finance
MNRE	-	Ministry of Natural Resources and Environment
MWCSD	-	Ministry of Women, Community and Social Development
MWTI	-	Ministry of Works, Transport, and Infrastructure
PEAR	-	Preliminary Environmental Assessment Reports
PMU	-	Project Management Unit
PPMS	-	Project Performance Monitoring System
PUMA	-	Planning and Urban Management Agency
OH&S	-	Occupational Health and Safety
REA	-	Rapid Environmental Assessment
SDS	-	Strategy for the Development of Samoa
SIA	-	Social Impact Assessment
SLC	-	Samoa Land Corporation
SME	-	Small Medium Enterprises
SPS	-	Safeguard Policy Statement
STEC	-	Samoa Trust Estates Corporation

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I. INTRODUCTION

1. The Samoa AgriBusiness Support Project is proposed for loan financing by the Government of Samoa to the Asian Development Bank (ADB).

2. The project will address key financial and capacity limitations in selected agribusinesses that have sound prospects for commercial success and will contribute to the higher level objectives of value addition, employment, trade and rural incomes. The project will involve three outputs:

3. **Output 1: Improved Access to Finance** for selected agribusiness enterprises to address the lack of suitable financing instruments, the risk averseness of commercial banks to lend long-term to the sector, the overall liquidity constraints in the financial sector, and the shortage of capital in the agribusiness sector. The specific objective is to facilitate agribusiness development through suitable financing instruments and associated business support services. According to the analysis, the needed financing instruments are likely to be:

- (i) **Cash collateral instruments through eligible local commercial banks** of up to \$ 2.0 million to address the constraint of inadequate collateral among agribusinesses and facilitate bank lending to agribusinesses proposing sound and otherwise bankable business plans. It is envisaged that respective cash collateral will be pledged by the project to secure up to 50% of the amount lent to eligible agribusinesses for a first-time loan and up to 30% for a second-time loan. Selection and approval procedures would follow normal banking practice.
- (ii) Should bank lending not be possible for a promising and eligible venture due to weak balance sheet structure of the otherwise sound business, banks may draw on **returnable supplemental seed capital** to address this issue. Businesses may be able to receive supplemental seed capital if it would then qualify for bank finance. Seed capital injections of max \$ 100,000 per company, up to a total of US\$ 1.0 million, would be made available to agribusinesses subject to special conditions and in conjunction with a loan approval from a participating commercial bank. Supplemental seed capital is limited to 25% of total project costs with the remaining part being contributed through owner's own capital and bank financing.

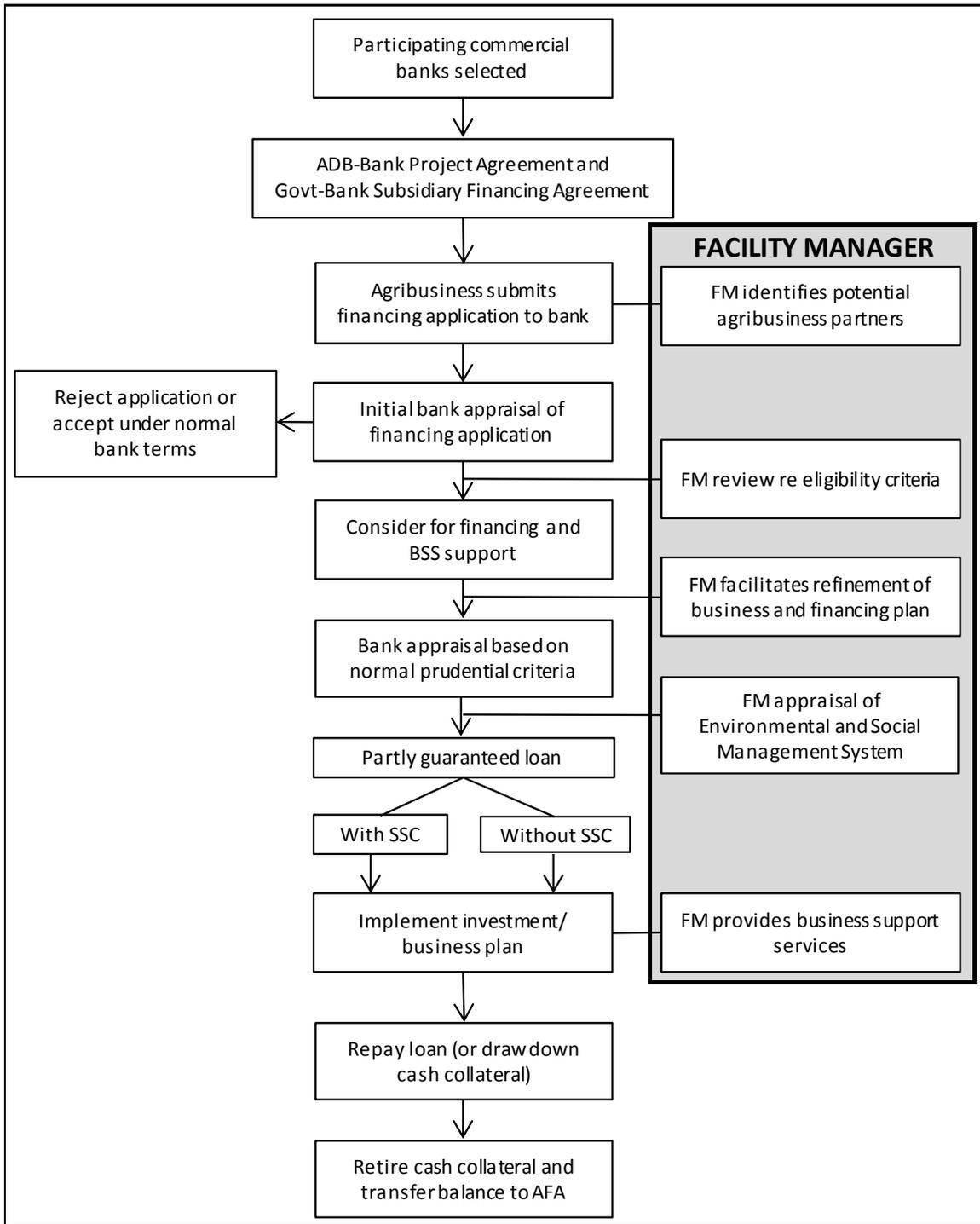
4. **Output 2: Business Support Services provided by the project** to partner companies to help build their capacity in a broad range of areas which are critical to business success and adherence to environmental and social safeguards. These may include refinement of business plans and finance structuring, environmental impact assessments and management plans, general business management, financial management, marketing, product development, and technical support, in particular in establishment/improvement of supply chain linkages.

5. **Output 3: Project Management:** The project will employ simple and streamlined management arrangements in order to contain management overheads and maximize the funding available for directly productive investments. The Executing Agency will be the Ministry of Finance (MOF) which will establish a small Project Management Unit (PMU) to be responsible for financial control, procurement and reporting. Initially the PMU will be staffed by a full-time Project Coordinator and a part-time Procurement Officer.

6. A Facility Manager (FM) will be contracted to implement the Project, support companies in developing bankable project proposals, negotiate agreements with commercial banks and participating agribusinesses, provide guidance and assistance to supported companies, coordinate and manage a range of business support services provided by contracted specialists and to organise the required monitoring and evaluation.

7. Figure 1 provides an overview of the project implementation process. The process will be initiated by submission of a financing application from an agribusiness company to one of the commercial banks. The bank will undertake an initial appraisal of the application and may: (i) accept it under normal financing terms; (ii) reject the application outright; or (iii) refer it to the project for consideration of its eligibility for financing and business development support—this will include an assessment of potential environmental and social safeguards and risks. The process could also be initiated by the project facility manager (FM) who would support a potential project to prepare and/or refine business plans and market research prior to bank application. If the FM approves the project for consideration the FM will offer assistance to the applicant for refinement of the business and financing plan, including an assessment of environmental and social issues and compliance, which will then be appraised by the bank based on its normal prudential criteria. The bank may then make a decision to finance the project by using the cash collateral instrument, with or without supplemental seed capital. The agribusiness will then proceed to implement the investment/business plan with the help of business support services.

Figure 1 - Overview of Implementation Process



FM = facility manager, BSS = business support services, SSC = supplemental seed capital, AFA = agribusiness finance account with MOF.
 Source: Asian Development Bank.

8. The direct outcome of the project will be a revitalised agribusiness sector based mainly on exports, but including import substitutes and non-traded items in the domestic market in

some cases. This outcome will be driven primarily by expansion and diversification of existing agribusiness enterprises, as well as the creation of new enterprises. Measures of the project's outcome will include: (i) the return on equity of supported agribusinesses; (ii) the value of food exports and imports; and (iii) the number of farmers engaged in commercial agricultural pursuits.

9. The project will accelerate the growth of the agricultural sector (broadly defined) and thereby contribute to the achievement of Samoa's higher level social and economic development objectives as defined in the Strategy for Development of Samoa (SDS) and the Agricultural Sector Plan (ASP). The main measure of impact will be an increase in the contribution of the agricultural sector to Samoa's GDP from 10% currently to 13% by 2019.

10. The agribusinesses (subprojects) to be supported are not known at this stage. However, as shown below, few of the possible business ventures present significant environmental or social challenges and should have no problems satisfying national and ADB guidelines provided the banks/project exercises due diligence in the selection and support for agribusiness ventures.

11. The project may provide support to about 10 - 15 agribusinesses (sub-projects). All sub-projects will be screened and categorized and, if required, assessed for environmental and social risks and impacts (Table 1). It is envisaged some sub-projects will have limited or no safeguards concerns while others will require some form of assessment to properly identify and prepare a plan to mitigate safeguards issues.

Table 1 - Indicative Environmental and Social Risks of Possible Business Ventures

Enterprise/Activity	Environmental Issues/Concerns	Social Issues/Concerns
<ul style="list-style-type: none"> Fresh mature coconuts for export 	<ul style="list-style-type: none"> Disposal of solid waste (coconut husks), Waste water management, 	<ul style="list-style-type: none"> Availability of Coconuts for subsistence and domestic markets. (sustainability of product) Coconut trees land ownership. Correct waste disposal required; health aspects (coconut husks can hold water, mosquitoes breed increase dengue). Occupational health and safety.
<ul style="list-style-type: none"> Drinking nuts and packaged coconut water 		
<ul style="list-style-type: none"> Crude coconut oil for export 	<ul style="list-style-type: none"> Odor – if located near residential areas 	
<ul style="list-style-type: none"> Refined coconut oil for domestic market 	<ul style="list-style-type: none"> Disposal of refinery wastes Odor – if located near residential areas 	
<ul style="list-style-type: none"> Canned coconut cream 	<ul style="list-style-type: none"> Disposal of factory effluent (solid and liquid wastes) 	
<ul style="list-style-type: none"> Virgin organic coconut oil 	<ul style="list-style-type: none"> Limited solid and liquid waste disposal. 	
<ul style="list-style-type: none"> Mechanized virgin coconut oil extraction 		
<ul style="list-style-type: none"> Snack foods (banana and taro chips etc) 	<ul style="list-style-type: none"> Solid and liquid waste disposal Disposal of used cooking oil. 	<ul style="list-style-type: none"> Availability of products for subsistence and domestic markets (sustainability of product). Land ownership. Occupational health and safety.
<ul style="list-style-type: none"> Organic soaps and lotions 	<ul style="list-style-type: none"> Safe use of chemicals. Disposal and management of wastes (solids and liquids). 	<ul style="list-style-type: none"> Occupational health and safety.

Enterprise/Activity	Environmental Issues/Concerns	Social Issues/Concerns
<ul style="list-style-type: none"> • Fish (tuna) processing • Chili sauce • Fruit juices • Noni juice 	<ul style="list-style-type: none"> • Solid and liquid waste disposal. • Sustainability of tuna capture practices. 	<ul style="list-style-type: none"> • Availability or competition with subsistence and domestic markets. • Occupational health and safety.
<ul style="list-style-type: none"> • Fresh limes for export 	<ul style="list-style-type: none"> • Disposal of washing water 	<ul style="list-style-type: none"> • Sustainability of product and availability or competition with subsistence and domestic markets.
<ul style="list-style-type: none"> • Organic fertilizers 	<ul style="list-style-type: none"> • Solid and liquid wastes, • Odor – location important 	<ul style="list-style-type: none"> • Safety and health issues within the facility and neighbouring locations. • Potential hazards (flammable).
<ul style="list-style-type: none"> • Root crops for export (mainly taro), papaya for export, other fresh produce for export (beans, chilies, okra etc) 	<ul style="list-style-type: none"> • Soil erosion on steeply sloping taro fields • Safe use of agro-chemicals on farms • Disposal of washing water and solid waste. 	<ul style="list-style-type: none"> • Sustainability of product and availability or competition with subsistence and domestic markets.
<ul style="list-style-type: none"> • Pig production 	<ul style="list-style-type: none"> • Odor – if located near residential areas • Solid and liquid waste disposal • Safe use of agro-chemicals 	<ul style="list-style-type: none"> • Sustainability of product and availability or competition with subsistence and domestic markets. • Occupational health and safety
<ul style="list-style-type: none"> • Processed meats 	<ul style="list-style-type: none"> • Solid and liquid waste disposal. • Safe use of chemicals and their disposal 	<ul style="list-style-type: none"> • Occupational health and safety
<ul style="list-style-type: none"> • Beche de mer (dried sea slugs) 	<ul style="list-style-type: none"> • Impact on lagoon ecosystems • Disposal of solid and liquid waste • Sustainability of product if wild collection is undertaken. 	<ul style="list-style-type: none"> • Potential issues with land/water and resource ownerships. • Health and safety issues with development and harvesting.
<ul style="list-style-type: none"> • Biogas production 	<ul style="list-style-type: none"> • None foreseen 	<ul style="list-style-type: none"> • Potential issues with water and resource ownerships. • Occupational health and safety.
<ul style="list-style-type: none"> • Coconut timber milling 	<ul style="list-style-type: none"> • Degradation of vegetation and/or forest ecosystem when coconut logs are removed 	<ul style="list-style-type: none"> • Potential issues with land/water and resource ownerships. • Health and safety issues with harvesting and milling.
<ul style="list-style-type: none"> • Honey exporting 	<ul style="list-style-type: none"> • None foreseen 	<ul style="list-style-type: none"> • Potential issues with resource ownerships.
<ul style="list-style-type: none"> • Manufacture of livestock feeds 	<ul style="list-style-type: none"> • Dust – if located near residential areas 	<ul style="list-style-type: none"> • Occupational health and safety.
<ul style="list-style-type: none"> • Frozen root crops for export 	<ul style="list-style-type: none"> • Solid and liquid waste disposal 	<ul style="list-style-type: none"> • Availability or competition with subsistence and domestic markets. • Occupational health and safety.

II. ENVIRONMENTAL AND SOCIAL MANAGEMENT POLICY AND APPLICABLE REQUIREMENTS

A. Project Policy

12. Activities to be undertaken by project-supported agribusinesses (subprojects) will be subject to environmental and social safeguards screening and assessment (if required) during evaluation of funding and business support referrals from banks, in order to avoid sub projects which would cause environmental or social damage. Supported sub projects with the potential for environmental or social impacts will need to incorporate impact mitigation and monitoring procedures in their implementation plans.

13. The safeguards principles of the project to be applied to all potential sub projects include:

- (i) No investments with activities identified in the Prohibited Investment Activities List of the ADB Safeguard Policy Statement (SPS) 2009 will be supported by the project;
- (ii) All proposed sub-projects or investments will be reviewed and evaluated (screened) in respect of environmental requirements of the country safeguard systems (CSS) and the ADB's SPS;
- (iii) All proposed sub-projects or investments will be reviewed and evaluated (screened) in respect of social requirements of CSS and ADB's SPS including occupational, health, safety, involuntary resettlement (IR) and land acquisition, indigenous peoples (IP) and physical cultural resources;
- (iv) Funding and ongoing business support services will only be provided to subprojects (activities/investments) that are designed, constructed/implemented, operated and maintained in a manner consistent with the applicable environmental and social safeguards set out in this environmental and social management system (ESMS) (as further detailed in Section 4).
- (v) There is appropriate consultation and transparency as per the requirements of this ESMS in design and/or implementation of sub projects' activities to be supported under the project;
- (vi) The Project works together with, and where appropriate provides specialist guidance to, sub projects to implement applicable environmental and social safeguard requirements as per this ESMS;
- (vii) The Project overall, and sub projects individually, have sufficient resources (staff and budget) to effectively implement safeguards requirements as set out in this ESMS, as well as promoting sub project activities with environmental and social benefits.

14. Despite the anticipated minimal IP and IR concerns, all proposed activities or investment (sub-projects) will undergo screening and categorization processes.

III. APPLICABLE ENVIRONMENTAL AND SOCIAL SAFEGUARD REQUIREMENTS

A. Samoan Country Safeguard Systems

1. Environment

15. The Planning and Urban Management Act 2004 (PUM Act) is the principal legislation on Environmental Protection and Management in Samoa. Specific instruments governing environmental assessments of projects are provided by the Planning and Urban Management (Environmental Impact Assessment) Regulations 2007 (also known as EIA Regulations, 2007). The PUM Act provides the legal basis for development consents, which is required for all new land uses and developments. Its principal use is to guide the development consent process in the form of an EIA. The EIA regulations set the requirements for project screening, the level of detail of environment assessment, consultation requirements and review process. The PUM Act and EIA Regulations in effect comprise the environmental safeguards of the country safeguard system (CSS) which in general terms align with the ADB's SPS.

16. The PUM Act establishes the Planning and Urban Management Agency (PUMA) within the Ministry of Natural Resources and Environment (MNRE). PUMA is the lead agency in environmental management, which includes social impact issues (IP and IR) and is responsible for setting the criteria for the requirements of an Environmental Impact Assessment (EIA) format, structure, as well as a review and consideration of findings in decisions relating to development consents.

17. Under the EIA Regulations, environmental assessments are required for any public or private development proposal that triggers qualifying criteria. Key criteria relate to potential negative impacts on people, places, habitats and conservation. Depending on the nature and scope of the development either a Preliminary Environmental Assessment Reports (PEAR) or a Comprehensive Environmental Assessment Report (CEAR) is required. A PEAR is required when PUMA does not consider that significant adverse impacts are likely, whilst a CEAR is required where likely and significant adverse impacts. The PEAR is roughly equivalent to the ADB Initial Environmental Examination (IEE) and the CEAR is roughly equivalent to the ADB Environmental Impact Assessment (EIA). Any gaps will be noted and additional measures required to comply with SPS will be included in the assessment prepared.

18. The Samoan Codes of Environmental Practice (COEP) have been developed as a guide to avoid or mitigate adverse environmental impacts associated with development project planning, design, construction and maintenance. There are 14 COEPs which include (i) Administration Procedures, (2) Road Planning, Design and Construction, (3) Consultation, (4) Land Acquisition and Compensation, (5) Construction Camps (6) Road Construction Erosion Control, (7) Slope Stability, (8) Quarry Development and Operations, (9) Gravel Extraction, (10) Coastal Protection, (11) Drainage, (12) Traffic Control During Construction, (13) Earthworks (14) Cellular Telecommunications Facilities. An important component of the environmental management and mitigation plans will incorporate the standards within relevant COEP's. The COEP's are an integral component of the CSS.

2. Social Safeguards and Protection

19. Samoa is culturally and ethnically homogenous and there is a deep collective attachment to the land and resources which is reflected in the nation's laws and regulations which comprise the social safeguard elements of the CSS. The Lands, Survey and Environment Act 1989 (LSE Act) which manages land allocation and management. This Act specifically manages forest protection, regulates land use activities and diversity conservation. This act establishes the principal functions of the MONRE which include advising the Minister on all aspects of environmental management and conservation including: (i) the potential environmental impact of a public or private development proposal; and (ii) to act as the advocate of environmental conservation at Government, its agencies, and other public authorities with advice on procedures for the assessment and monitoring of environmental impacts.

20. There are four types of land ownership in Samoa; Customary land (over 80% of the nation's total land), freehold, Government and land vested in Samoa Trust Estates Corporation (STEC) and Samoa Land Corporation (SLC). About 15% of land in Samoa is publicly owned and is generally known and recognized as Government land. Under statutory law, access to Government land is through lease or exchange of either freehold land or customary land. Freehold land comprises only 4% of the total land area.

21. Landowners independently manage their own lands. These can be alienated in any manner desired by the owner, be it through sale, gifting, leasing, licensing or exchange. However, alienation to non-citizens or overseas residents is prohibited under the Alienation of Freehold Land Act 1972 unless granted consent by the Head of State.

22. Customary land vested in accordance with Samoan custom and usage is primarily managed by the matai who is the head of an extended family. As trustee for his/her family, the matai is responsible for the management and allocation of the land for various uses by family members. These lands are protected from alienation by sale by the Constitution of the Independent State of Samoa 1960, except by way of lease or license in accordance with the Alienation of Customary Land Act 1965.

23. An emerging form of land tenure is leased land, which is land under lease arrangements between the lessor (landowner) and the lessee (applicant). All types of land, whether Government, freehold or customary, can be leased out to individuals, corporations and community or to private investors. In this regard, leasing can provide a viable option to access the land necessary for private sector growth. Ideally, leasing allows the use of land without alienating it from traditional landowners.

24. The Government closely controls the leasing of customary land. The Minister of MONRE, as the trustee of customary lands, is vested with the power to manage and administer lease arrangements between the lessor and the lessee. The Minister's involvement in land leasing is designed to ensure that landowners are protected from entering into inappropriate land deals or making unwise decisions, and to prevent alienation of customary land or ownership from the landowner.

25. Customary land disputes are common. Where disputes cannot be resolved privately then the Samoan Laws are used. The Land and Titles Act 1981 states that the Land and Titles Court has exclusive jurisdiction in customary land matters, however there are a number of additional Acts that play an important role in land cases. These include Village Fono Act (1990);

Land Titles Investigation Act (1966), Alienation of Customary Land Act (1965) and Taking of Lands Act (1964).

26. The legislation provides five forums for resolving disputes involving customary land; (i) village council, (ii) Land and Tiles courts; (iii) Land and Titles Appeal Division, (iv) Supreme Court (with an appeal to the court of Appeal) (v) Land Investigation Commission. In addition there are two other ways to resolve land disputes, the first arising for custom and usage and the second under the contract law in leases of customary land, with determination by matai and by arbitration.

27. The Ministry of Women, Community and Social Development (MWCSD) has a number of key roles associated with the management and social protection which may be required when evaluating projects are submitted to the project. MWCSD operates under five separate legislative acts but the key act relevant to the project is the Ministry of Women Affairs Act 1990 and the Amendment Act 1998. The MWCSD's Research, Policy/Planning and Information sections coordinate the monitoring and evaluation processes in relation to social impact assessments, gender management systems and monitoring and evaluation framework/processes. MWCSD will be consulted on identified social and/or gender issues in project-supported agribusiness projects.

28. The Ministry of Works, Transport, and Infrastructure (MWTI) is responsible for ensuring national environmental and climate change building codes and regulations are enforced. The development or removal of any buildings, roads, and infrastructures associated with the project will need to involve input from this ministry during the design phase to ensure all social issues are incorporated into project design whilst maintaining the ministries codes and standards. The Ministry of Transport Act 1997 sets out the key mandate for the ministry. The ministry covers all forms of transport include land, air and sea and therefore includes a large number of additional Samoan acts and legislation to manager this portfolio.

29. The Department of Labour, within the Ministry of Commerce, Industry and Labour (MCIL), is responsible for administration of the Occupational Safety and Health (OH&S) Act 2002 and the Labour and Employment Relations Act 2013. Both Acts reflect international standards in relation to workplace safety and fair treatment of workers. The recent Labour and Employment Relations Act adheres to the eight core International Labour Organisation conventions and is therefore entirely consistent with ADB guidelines. The Department of Labour will therefore need to be consulted in relation to OH&S and fair treatment of workers standards.

B. ADB Safeguards Policy and Requirements

30. The ADB's SPS has been developed to ensure that all ADB investments seek to avoid, minimise, or mitigate adverse environmental and social impacts, including protecting the rights of those likely to be affected or marginalised by development processes. The ADB safeguard policy consists of three policies on the environment, IP and IR. The SPS objectives are to (i) avoid adverse impacts of projects on the environment and affected people; (ii) where possible; minimize, mitigate, and/or compensate for adverse project impacts on the environment and affected people when avoidance is not possible; and (iii) help borrowers/clients to strengthen their safeguard systems and develop the capacity to manage environmental and social risks.

31. These issues are assessed through planned environmental and social impact assessments which have clearly defined guidelines and protocols set out by the ADB. These safeguards require due diligence which entails addressing any environmental and social

concerns of a proposed activity in the initial stages of project preparation and preparing plans that will mitigate impacts to be implemented during ongoing project activities.

1. Environmental Safeguards

32. The ADB environmental safeguards in conjunction with the CSS requirements provide the basis for the support the project can or cannot provide to agribusinesses. Requirements include assessing impacts, identifying mitigation requirements, planning, managing and undertaking consultation, establishing a grievance mechanism, as well as monitoring and reporting. In addition, specific environmental safeguard requirements pertain 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 screening and assessment process. Compliance with requirements is achieved through screening, preparation of assessments and implementation of environmental management plans where categorization requires, and project monitoring.

33. Environmental assessment is a generic term to describe a process of environmental analysis and planning to address the environmental impacts and risks associated with a project. In relation to the project, this means that at an early stage in the shortlisting of business ventures for potential support the Project will need to 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. This will lead to a “categorization” of a proposed investment or activity and an understanding of what is required in terms of preparing and implementing environmental safeguards requirements.

2. Social Safeguards

34. The ADB’s social safeguards include the IR and IP requirements. Both safeguards require consultation with key stakeholders and affected communities and people.

35. The IR and IP safeguards establish the social requirements as the basis for the support that the project can or cannot provide to agribusinesses. These safeguards are aligned to the CSS and Samoan policies, laws and regulations. The IR and IP safeguard assessments requirements include (i) undertaking the screening and, if needed, social impact assessment (SIA) and planning process and associated reports; (ii) undertaking consultation, including ascertaining free, prior and informed consent of the affected IP communities (iii) establishing a grievance mechanism; (iv) monitoring and reporting; and (v) disclosing information. The applicability of particular requirements is established through the IP and IR screening process and compliance is achieved through assessment, preparation and implementation of relevant safeguard plans and project monitoring.

36. The ADB defines IR as full or partial, permanent or temporary physical displacement (relocation, loss of residential land, or shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) resulting from (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas. Resettlement is considered involuntary when displaced individuals or communities do not have the right to refuse land acquisition that result in displacement.

37. IR safeguards objectives are to avoid involuntary resettlement wherever possible; to minimise involuntary resettlement by exploring project and design alternatives; to enhance, or at least restore, the livelihoods or all displaced persons in real terms relative to pre-project levels; and to improve the standard of living of the displaced poor and other vulnerable groups.

38. The IR safeguards are triggered if a project involves physical or economic displacement. If the IR safeguard is triggered an resettlement plan (RP) is to be undertaken and is to be designed to set out measures to ensure (i) that affected persons (APs) receive culturally appropriate social and economic benefits; and (ii) that when potential adverse impacts on APs are identified, these will be avoided to the maximum extent possible.

39. The ADB describes IP in a generic sense to refer to a distinct, vulnerable, social and cultural group possessing the following characteristics; (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories (iii) customary cultural, economic, social, or political institutions that are separated from those of the dominant society and culture; and (iv) a distinct language, often different from the official language or the country or region.

40. IP safeguards objectives are to ensure the design and implementation of projects are delivered to foster and maintain indigenous peoples rights to maintain, sustain, and preserve their cultural identities, practices, and habitats, dignity, livelihood systems and cultural uniqueness so that they (i) receive culturally appropriate social and economic benefits, (ii) do not suffer adverse impacts as result of projects, and (iii) can participate actively in projects that affect them.

41. The IP safeguard is triggered if a project directly or indirectly affects the dignity, human rights, livelihood systems, or culture of IP or affects the territories or natural or cultural resources that indigenous people own, use, occupy or claim as their ancestral domain. If safeguards are triggered an IP Plan (IPP) is to be undertaken and designed to set out measures to ensure (i) that affected indigenous people receive culturally appropriate social and economic benefits; and (ii) that when potential adverse impacts on Indigenous People are identified, these will be avoided to the maximum extent possible. The level of detail and comprehensiveness of an IPP is commensurate with the significance of potential impacts

42. As previously indicated, the types of activities and investments being proposed will likely incur no or low IP and IR impacts and therefore it is unlikely that RPs and/or IPPs will need to be prepared. However, in case the safeguards are triggered this ESMS sets out the process for compliance with the SPS and CSS requirements on IR and IP.

IV. ENVIRONMENTAL AND SOCIAL MANAGEMENT PROCEDURES

A. Screening and Categorization

43. The process for environmental, IP, IR and social compliance screening of sub projects has been developed specifically to ensure due diligence, consistent assessment and management of issues which will be incorporated into the project's standard operating procedures. During the Project's mobilisation stage formal agreements will be developed with interested and acceptable commercial banks and the FM will provide this ESMS as the framework to be provided to banks for their guidance when evaluating relevant credit

applications. This information will also be provided to business chambers to inform the private sector of the project's safeguards requirements.

44. The purpose of this ESMS is to assist the government, the project, and participating banks in screening all proposals for their likely environmental, IP, IR and social impacts, identifying required documentation and in shortlisting business ventures for further consideration for project support.

45. Screening and categorization is undertaken to (i) reflect the significance of potential impacts or risks that an activity or investment might present; (ii) identify the level of assessment and institutional resources required for the safeguard measures; and (iii) determine disclosure requirements.

46. For all subprojects submitted to the project, this ESMS will apply as it complies with CSS and ADB's safeguard requirements. It is anticipated that most if not all subprojects submitted will create one or more environmental impact and therefore environmental assessments will need to be undertaken. IP and IR impacts are expected to be either non-existent or minimal. Any sub project which has involuntary resettlement and adverse impact on distinct and vulnerable indigenous people will be excluded.

47. The following environmental and social screening and categorization procedures will be incorporated in the project activity/investment evaluation process. The ESMS procedures will also apply to SME-scale and commercial agribusiness activities, small-scale infrastructure, or larger infrastructure/public investment projects which may be implemented by the private sector through the project.

1. Environmental Screening, Categorization and Assessment

48. The environmental category for the overall project is FI (financial intermediary) and this ESMS has been prepared. Environmental categorization sub projects cannot be undertaken until these are formally identified as part of a proposal for consideration. When a sub project is proposed a screening will be undertaken using a Rapid Environmental Assessment (REA) checklist.

49. The environmental screening and categorization of sub projects submitted for project support will involve the following steps:

- Step 1: Project screening against the Exclusion List (Table 2).
- Step 2: Screening for Environmental Categorization (with REA checklist).
- Step 3: Determine the safeguard instruments required, if any, for the proposed agribusiness.
- Step 4: Complete the relevant environmental safeguard assessment and prepare a draft report (PEAR or CEAR with additional requirements as required to ensure each document is SPS compliant) and identifying how the environmental management plan (EMP) and monitoring will be undertaken during implementation.

50. **Step 1.** The first step will be checking that the sub project does not include anything identified on the environmental exclusion list. Table 2 below provides the project's environmental exclusion list. If a proposed subproject corresponds with any item on the exclusion list, the proponents will be informed that the project cannot support it and that it will have to be replaced or modified.

Table 2 - Environmental Exclusion List

- Trade in wildlife and wildlife products regulated under the CITES Convention.
- Release of genetically modified organisms into the natural environment.
- Manufacturing, distribution and/or sale of pesticides, herbicides, and pharmaceuticals subject to international phase-outs or bans.
- Clearance of areas of biodiversity significance (e.g., mangrove, forests).
- Drift net fishing in the marine environment using nets in excess of 2.5 km length.
- Manufacturing, storage or treatment of radioactive products, including radioactive waste.
- Hazardous waste storage, treatment or disposal.
- Manufacturing of equipment and appliances containing chlorofluorocarbons, halons and other substances regulated under the Montreal Protocol.
- Manufacturing or trade in asbestos-containing products.
- Radioactive material, including radioactive waste.
- Products (such as oil-filled electrical and hydraulic equipment) containing greater than 0.005% by weight of polychlorinated biphenyls (PCBs).
- Transboundary trade in waste and waste products.
- Without limiting the generality of any of the foregoing, manufacturing, distribution and/or sale of goods violating environmental, health or safety laws and regulations and product standards of the country of export, import or transit (as appropriate) or any applicable international regulations or standards.
- Activities identified in ADB's SPS Appendix 5 – Prohibited Investment Activities List.

51. **Step 2.** If a proposed sub project is not excluded in the above process, the next step is to complete an environmental categorization (see Annex 1) and review the proposal by completing an REA checklist. The majority of project-supported activities or subprojects will be required to use the agro-industrial REA which is included in Annex 2.

52. Completion of the REA checklist will allow a proposal to be categorized as either A, B or C based on the definitions from SPS where:

- (i) **Category A:** Projects with potential for significant adverse environmental impacts. These will be rejected and not subject to further consideration. The FM will explain to the referring bank the reasons for rejection. If the business seeking project support can address these concerns reducing the REA screening outcome to a Category B, project support may be considered.
- (ii) **Category B:** Projects judged to have some potential adverse environmental and or social impacts, but of lesser degree and/or significance than those for Category A projects. The designation of a category B warrants a PEAR to be undertaken to determine whether or not significant environmental and/or social impact/s is/are present. If present, then a CEAR is triggered and is required to be undertaken; if not then the PEAR is regarded as the final acceptable environmental assessment report. If IP/IR safeguards are triggered an Indigenous Peoples Plan (IPP) and/or Involuntary Resettlement Plan (IRP) will be prepared. These plans are an integral component of the CEAR process.

- (iii) **Category C:** Projects that are likely to have minimal or no adverse environmental impacts. No further environmental impact assessment is required, however all possible environmental and social implications are to be reviewed during the assessment process and must be documented and retained by the project.

53. **Steps 3 and 4.** Category B sub-projects will require an environmental assessment that meets the CSS, as well as include any additional measures required to comply with SPS. The environmental assessments will produce a PEAR and will consider all potential impacts and risks of the project on physical, biological, socio-economic (occupational health and safety, community health and safety, vulnerable groups and gender issues, and impacts on livelihoods through environmental media, as well as physical and cultural risks.

54. The general coverage of an environmental assessment will include:

- (i) Information about the general environmental setting of the project area as baseline data;
- (ii) Information on potential impacts of the project and the characteristic of the impacts, magnitude, distribution, who will be affected, and their duration (temporary or permanent);
- (iii) Results of consultations with stakeholders and affected people and/or communities;
- (iv) Identification of potential mitigation measures to minimise the impacts including mitigation costs and formulation of an environmental management plan (EMP) based on mitigation measures and monitoring requirements; and
- (v) Discussion of alternatives (location, design and technology).

55. The outline contents of a PEAR and CEAR are provided in Annex 3.

2. Involuntary Resettlement Screening, Categorization and Planning

56. The process for IR screening of proposed sub projects will incorporate use of the IR safeguard categorization form and the IR checklists (Annex 4). On this basis, there are no expected IR impacts for any individual or communities associated with the project. Therefore the project is classified as Category FI (treated as Category C) on IR. No activities will be funded that have involuntary resettlements.

57. Subprojects supported by the project are expected to build linkages with rural communities to increase the supply of raw materials under outgrower and/or contract farming arrangements. This may involve some changes in the use of customary land, generally by converting idle farm lands to productive uses. However, such changes will only take place with the full consent of customary owners. Some of the sub projects may acquire lease or sell freehold land for agricultural or agro-industrial use, but this will be done on a willing buyer/willing seller basis. It is highly unlikely that physical displacement of any type, voluntary or involuntary, will occur.

58. There are no “legacy issues” from previous land acquisition or land use and therefore, a corrective action plan is unnecessary. Under Component 1 rigorous IP/IR safeguard procedures

will apply in screening and selection of sub projects, and in the unlikely event that IR issues are identified the projects will be either rejected or will be required to adopt mitigation measures.

59. **Resettlement Plan.** IR safeguard assessments are an integral component of a project Social Impact Assessment and therefore will be included in all projects, even though there are not expected to be any significant IR risks.

60. If IR safeguards are triggered a Resettlement Plan (RP) is to be undertaken and is to be designed to set out measures to ensure (ii) that potential IR impacts are identified, avoided or minimized to the maximum extent possible (i) that APs receive compensation for affected land/assets, resettlement assistance and other culturally appropriate social and economic benefits.

61. The RP is to be undertaken and designed to set out measures to ensure documenting the APs entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting frameworks, budget and time bound implementation schedule. The RP draft is required to be disclosed and open to the public for comment and debate with comments incorporated into the final RP which also needs to be publicly disclosed before it is accepted. Community and stakeholder dialogue and discussion are extremely important for the development of the RP.

3. Indigenous People Screening, Categorization and Planning

62. The process for IP screening of proposed sub projects will use the IP safeguard categorization form and the IP checklists (Annex 5). While the project impact on indigenous Samoans is expected to be positive, the beneficiaries constitute Samoa's overwhelming majority population and the project is not expected to impact any distinct and vulnerable IPs. Therefore, the project has been classified as Category C on IPs.

63. The great majority of Samoan citizens and residents are indigenous Samoans of homogenous ethnicity and culture. Supported sub projects will provide opportunities for employment of indigenous Samoans, as well as employment and self-employment opportunities for men and women living in rural communities which are engaged as growers and suppliers. All employment will be subject to the protection of Samoan labour and occupational safety laws and training will be provided so that workers develop the necessary skills.

64. **Indigenous Peoples Plan (IPP).** The level of detail and comprehensiveness of an IPP is commensurate with the significance of potential impacts. There are not expected to be any IP issues with project-supported agribusinesses but identified procedures are required in the event of unforeseen risk findings.

65. IP safeguard assessments are an integral component of a project social impact assessment and therefore will be included in all projects. If IP safeguards are triggered an IPP is to be undertaken and designed to set out measures to ensure (i) that affected indigenous people receive culturally appropriate social and economic benefits; and (ii) that when potential adverse impacts on Indigenous People are identified, these activities will not be funded. .

66. The IPP includes; a framework for continued consultation with the affected IP communities during the project implementation; it details measures to ensure that IP receive culturally appropriate benefits; identified measures to avoid, minimise, mitigate or compensate for any adverse project impacts; and includes culturally appropriate grievance procedures,

monitoring and evaluation arrangements and a budget and temporal actions for implementing the planned measures.

67. The IPP draft is required to be disclosed and open to the public for comment and debate with comments incorporated into the final IPP which also needs to be publicly disclosed before it is accepted. Community and stakeholder dialogue and discussion are extremely important for the development of the IPP. The IPP may require the development of an action plan for legal recognition of customary rights to lands, water, territories or ancestral domains when a project involves (i) activities that are contingent on establishing legally recognised rights to lands and territories that IP have traditionally owned or customarily used or occupied, or (ii) involuntary acquisition of such lands.

4. Summary of Risks

68. A summary of the three risk categories and relevant safeguards for screening and categorization of environment, IR and IP risks is set out below.

Table 3 - Summary of Environmental, IR and IP Safeguard Requirements

Category	Environmental Safeguards	Involuntary Resettlement Safeguards	Indigenous People Safeguards
Category A	Comply with CSS - prepare CEAR with additional elements as required to comply with SPS (Safeguard Requirement 1) Apply for consent under PUM Act	Comply with CSS and SPS Safeguard Requirement 2 of the ADB Safeguard Prepare RP	Comply with CSS and SPS Safeguard Requirement 3 Prepare IPP
Category B	Comply with CSS - prepare PEAR with additional elements as required to comply with SPS (Safeguard Requirement 1) Apply for consent under PUM Act	Comply with CSS and SPS Safeguard Requirement 2 of the ADB Safeguard Prepare RP	Comply with CSS and SPS Safeguard Requirement 3 Prepare IPP
Category C	Comply with CSS and SPS - prepare due diligence report: environment If required, apply for consent under PUM Act	Comply with CSS and SPS - prepare diligence report: resettlement	Comply with CSS and SPS - prepare due diligence report: IP

5. Social Protection Issues: Occupational Health and Safety

69. **Occupational health and safety.** Samoa has strict employment and Occupational Health and Safety (OH&S) laws and regulations in place and compliance is enforced through the relevant ministries and inspection/registration procedures. OH&S issues are an integral component of the PEAR/IEE and/or CEAR/EIA process where the issues are assessed and recommendations are documented in the projects EMP.

70. The main concern will be OH&S procedures in supported business ventures and, while the overall standards in Samoa are acceptable and monitored by local authorities, the FM will undertake screening and categorization of business ventures applying for project support.

71. **Labor, health and trafficking.** Samoan regulations on employment and working conditions adhere to international standards and the most recent law encompasses the key ILO standards. The annual social compliance audit to be undertaken by the FM (Annex 6) covers all of the provisions of Samoan law, the core ILO and ADB social protection requirements.

72. The initial assessment of proposed activities/investments will involve a review of likely labour risk factors, in addition to OH&S. Where appropriate, the FM will inspect the proponent's existing operation and review the business's operations against the core issues included in the audit form. If concerns are identified the FM will discuss with the business owner and determine if compliant practices can be instituted and consistently applied in the subproject according to the stipulations in the formal agreement between the project and the subproject.

73. HIV/AIDS risks associated with activities/investments are unlikely to be significant as no employees are engaged in the high risk sex or entertainment industry or are likely to migrant workers and no communities will be impacted by significant infrastructure development. Activity/business owners will, however, be encouraged to institute measures to inform workers of the risks of all communicable diseases and to apply mitigation measures as a component of their staff management policy.

74. Human trafficking is not a social issue in Samoa and the inclusion of forced labour points in the annual audit will be sufficient to identify any highly unlikely incidents.

B. Development Consent

75. An important element of the CSS is application for development consent and review of environmental assessment. Once a PEAR or CEAR is completed it is submitted with a development consent application to the PUMA for consideration. Under the PUM Act all CEARs must be open for public comment before any final recommendation can be made to the PUM Board (made up of representatives from a number of ministries and communities and can act independently of MONRE).

76. While it is not mandated under the PUM Act that PEARs be open to the public, it is a requirement of this ESMS that PEARs be subject to the same disclosure and public review requirements as CEARs. Due diligence reports prepared for Category C sub projects are not required to be made available for public review but they will be disclosed on ADB's website as part of the project's documentation.

77. Upon review and consideration of the development application (and accompanying environmental assessment) the PUM Board may request further information on the proposal or approve an application, decline it, or approve it with conditions.

78. The PEARs and CEARs prepared under the project will also be subject to review and clearance by ADB. Cleared assessments will be disclosed on the ADB's website.

C. Safeguards Monitoring and Reporting

79. The extent of monitoring activities, including their scope and periodicity, will be commensurate with the risks and impacts as determined by the assessment procedures. Where safeguards are triggered management plans will be prepared.

80. The project overall will be subject to monitoring as part of the project performance monitoring system (PPMS). Approved sub projects will also require monitoring. Individual sub

projects are required to implement safeguard measures and relevant safeguard plans, and to submit periodic monitoring reports on their implementation performance.

81. The monitoring system to be established for the project will require:

- (i) Establishment and maintenance of procedures to monitor the progress of implementation of safeguard plans;
- (ii) Verification of the compliance with safeguard measures and their progress toward intended outcomes;
- (iii) Documentation and disclosure of monitoring results and identification of necessary corrective and preventive actions in the periodic monitoring reports;
- (iv) Following up on these actions to ensure progress toward the desired outcomes;
- (v) If required, retaining qualified and experienced external experts or qualified NGOs to verify monitoring information for projects with significant impacts and risks; and
- (vi) For the Project overall, coverage of safeguards in quarterly progress reports and submission of periodic monitoring reports on safeguard measures as agreed with ADB.

82. The FM will be responsible for the management of safeguards monitoring but will utilise contracted specialists to provide technical support, guidance and inputs as required. Project funds have been allocated for the utilisation of contracted, short term consultants in various fields and an experienced safeguards advisor will be contracted from the outset. This specialist will work with the FM to undertake the initial sub project assessments and this will provide the FM with the knowledge to undertake the preliminary screening of subsequent proposed sub projects. Where risks are identified or there is any uncertainty, input from the contracted specialist will be sought. Development of required management plans and ongoing monitoring will be the responsibility of the specialist who will liaise directly with the FM, who, in turn, will be in regular contact with each sub project as part of the project's ongoing monitoring, evaluation and audit procedures.

83. The bank(s) involved with the project will undertake their own preliminary environmental and social risk assessment of subprojects, based on their institution's established guidelines. This will provide an initial filter but the project cannot assume that the bank assessment is either sufficiently comprehensive or consistent with the government or ADB requirements. Once a sub project is approved the involved bank will monitor its commercial performance and does not have the resources or expertise to identify all potential safeguard risks.

84. **Environmental management and monitoring.** The EMP developed as part of the assessment of Category A and B sub projects will include (i) proposed mitigation measures, (ii) environmental monitoring and reporting requirements, (iii) emergency response procedures, (iv) related institutional or organisational arrangements, (v) capacity development and training measures, (vi) implementation schedule, their costs estimates, and (vii) performance indicators.

85. Environmental monitoring is two-fold; (a) monitoring of contractor's or developer's compliance with the EMP provisions; and (b) monitoring of key environmental conditions and impacts, as required to support environmental management. Monitoring for (a) will be undertaken during pre-construction/development, construction/development, operation, and if required de-commissioning of an activity or investment. For (b) the monitoring requirements of each activity or investment will be set out in the assessment and involves (i) establishing a

baseline of the main parameters (conditions) to be monitored; (ii) conduct of the survey and/or sampling programme; (iii) analysis of samples and data/information collected, and interpretation of data and information; and (iv) preparation of reports documenting the monitoring and results and whether preventative or corrective actions are required. It is normally undertaken before and during project planning to establish baseline data needed for the environmental assessment and evaluating environmental impacts during the projects implementation and/or continued operations. The results of a monitoring programme are used to evaluate the following; (i) extent and severity of the environmental impacts against the predicted impacts; (ii) performance of the environmental protection measures or compliance with pertinent rules and regulations; (iii) trends in impacts; and (iv) overall effectiveness of the EMP and need for corrective actions.

86. Environmental management involves the implementation of environmental protection and mitigation measures and the monitoring of significant environmental impacts for all phases of a project from preconstruction (design stage) through to decommissioning and outlines mitigation measures that need to be undertaken to ensure compliance with environmental regulations and reduce or eliminate adverse impacts. Environmental protection measures are taken to (i) mitigate environmental impacts, (ii) provide in-kind compensation for lost environmental resources, and/or (iii) enhance environmental resources.

87. **RP monitoring.** Monitoring is required to support the objectives of the RP. It involves the use of qualified and experienced experts, needs to adopt a participatory monitoring approach (wherever possible); and assess whether the RP's objectives and desired outcomes/s have been achieved, basing this on the original baseline conditions and the results of the RP monitoring. Key monitoring issues are associated with the resettlement outcomes, their impacts on the standard of living of APs. Monitoring is normally undertaken before and during project planning to establish baseline data needed for the Social Impact Assessment and evaluating impacts during the projects implementation and/or continued operations.

88. **IPP monitoring.** Monitoring is required to support the objectives of the IPP. It involves the use of qualified and experienced experts, needs to adopt a participatory monitoring approach (wherever possible); and assess whether the IPP's objectives and desired outcomes/s have been achieved, basing this on the original baseline conditions and the results of the IPP monitoring. Monitoring is normally undertaken before and during project planning to establish baseline data needed for the Social Impact Assessment and evaluating impacts during the projects implementation and/or continued operations.

V. GRIEVANCE REDRESS MECHANISM

89. A grievance redress mechanism (GRM) will be established for the project and will be incorporated into safeguards documents. The GRM will provide a process for the FM and project clients to receive, evaluate and facilitate the resolution of affected people's concerns, complaints, and grievances about the environmental and social performance of the Project and activities and investments. The GRM will be scaled to the risks and adverse impacts and will address affected people's concerns and complaints promptly. The GRM is to provide an accessible, time-bound, and transparent mechanism for the affected persons to voice and resolve social and environmental concerns linked to the Project through an understanding, transparent process that is gender responsive, culturally appropriate, low cost and without retribution. It is the role of the assisted business proprietors, with assistance from the FM, to inform all people and communities associated with the project of the GRM.

90. A three stage GRM based on CSS requirements and traditional Samoan conflict resolution process is proposed. Grievances that cannot be resolved at Stage 1 will pass onto

Stage 2 for resolution and failing this onto Stage 3. For the effective implementation of the GRM careful consideration of Samoan cultural and tradition values and processes need to be fully understood, respected and integrated into the process. It is therefore suggested the following stakeholders be included; (1) A representative community committee including traditional family, clan and village leadership roles; (2) project proprietor and/or the contractor; and (3) staff of the project (which could include the FM, and subcontractors), and (4) government representatives from MONRE, Ministry of Justice and Court Administration, Ministry of Agriculture and Fisheries, Ministry of Women, Community, and Social Development, traditional land courts, and if required representatives from court administration and courts.

91. Depending on the nature of the grievance other relevant ministries (such as Ministry of Commerce, Industry, and Labour) can be invited to participate in discussion and resolution of the complaint.

92. Stage 1 involves the community (village traditional system) and project proprietors and/or contractor. It is anticipated that the majority of grievance will be related to land ownership boundaries and land access within a village (between extended families, households), land usage (ownership of crops, facilities), employment or labour issues, and environmental issues including nuisance (e.g. dust, noise), water and air quality or pollution. The timeframe for this stage is 30 days.

93. Stage 2 involves government agency/ies (e.g. MNRE, PUMA) and the project (FM) if the grievance cannot be locally resolved. PUMA/MNRE and the FM would be the first point of contact at which stage decisions can be made on whom should be involved. It is expected that some parties (freehold land owners, business entities) may take their grievances directly to the ministry (bypassing stage 1). Timeframe; 45 days.

94. Stage 3 would involve the legal system of Samoa. Stage 3 is used as a last resort when parties cannot amicably resolve the issues. The finding of the legal system would be binding on all parties. Access to this level of the GRM would be at the cost of the person making the complaint. Indicative timeframe 45 days.

VI. INSTITUTIONAL RESPONSIBILITIES, RESOURCES AND CAPACITY

A. Institutional Responsibilities

1. Project Management

95. The project will utilize contracted specialists to undertake safeguards screening/assessments, development of the related management and mitigation strategies, as well as the more detailed audit procedures for ventures with a higher risk categorization. This will be a more cost effective approach given the expected range of related issues in the types of supported agribusiness projects. Utilisation of suitably qualified and experienced experts will also ensure appropriate transparency in the required procedures, the highest possible standard of inputs and guidance/support for the involved agribusiness ventures, as well as maximising the prospects for innovative solutions that can provide effective models for replication in similar environments.

96. Through due diligence, best management and monitoring practice the FM will be responsible for the development and delivery of all PEAR, CEAR or other safeguard documents associated with the project.

97. The project management procedures involved in undertaking screening, categorization and due diligence will be incorporated in the Project’s standard operating procedures and will involve the following stages.

98. Table 4 sets out the main steps of proposal evaluation and main responsibilities of project management at each step.

Table 4 – Institutional Responsibilities of Project Management

Step	Responsibilities and Tasks
<p>Stage 1: Initial Screening of Sub Project Proposals</p>	<ul style="list-style-type: none"> • Proposals for subprojects to be supported by the project will be referred by participating banks to the FM for consideration, following the banks’ credit worthiness evaluation and an assessment of possible environmental and social issues. • The FM will undertake an initial assessment and eligibility verification of the business venture that will incorporate: (i) commercial viability and proponent’s track record and capabilities; (ii) overall eligibility of business venture in relation to the project’s requirements and objectives; and (iii) an initial assessment of environmental and social issues that require clarification (this will involve discussion with the applicant company and a site inspection, where relevant, of the existing operation for a first hand assessment of social compliance). • In those cases where there are possible environmental or social issues the FM will utilise the services of relevant experts from the project consultants’ panel to provide advice on the likely risks and the viability of required mitigation activities. • Based on the FM’s overall assessment of the proposed sub project and any safeguards issues, the FM will make a decision to (i) proceed to the next stage; (ii) seek further information from the bank or directly from the involved company; or (iii) not proceed with any further consideration of support and inform the bank in writing of the reasons, including any serious environmental or social concerns.
<p>Stage 2: Assessment and Development of Implementation Plans</p>	<ul style="list-style-type: none"> • Those business ventures deemed to be eligible and with no apparent serious environmental or social impacts will move to the next stage, incorporating an agreement with the referring bank and the company on more detailed evaluation and review. This will follow the procedures set out in the following section. • The FM will allocate Business Support Service (BSS) resources to verify the commercial viability of the proposed venture, develop more comprehensive business plans and financial projections for most to the shortlisted agribusinesses – this will provide increased comfort to the banks but more importantly ensure that the venture is appropriately structured to successfully undertake the proposed venture. Each business plan will include a strategy for the sourcing of additional resources required from the project and other agencies. Relevant experts from the project panel will be utilized for these tasks. • An integral component of all the business plans will be an identification of environmental and social compliance issues, strategies to address any risks, mitigation requirements/resources, monitoring procedures and inclusion of associated costs in the financial projections. Safeguard compliance issues will be addressed by an audit of the existing business operation, where possible, and discussion with the applicant on the standards that would need to be adopted in the proposed business venture. Relevant experts for the project panel will be contracted to undertake the environmental assessment and mitigation strategy.

Step	Responsibilities and Tasks
Stage 3: Final Assessment and Agreement	<ul style="list-style-type: none"> • Following completion and review of the business plan’s commercial and financial viability assessment, environmental/social safeguard findings and required monitoring processes, the FM will determine if project support will be provided. Further discussions with the referring bank and the company will be undertaken to either explain the reasons for rejection or implementation plans and responsibilities. • Formal agreements with the related bank and company will be developed for those agribusiness ventures supported by the project. These agreements will include relevant provisions on environmental and social safeguards and oblige each party to undertake the required mitigation and monitoring procedures. This will include separately signed annexes outlining the safeguard standards and key provisions of these procedures. • This will be part of routine project management and monitoring and evaluation (M&E) procedures. Supported agribusinesses will be implemented under contracted terms and conditions that incorporate cooperation with the M&E processes. Safeguards monitoring will also play a positive role in helping agribusiness enterprises to recognise problems, develop solutions and to promote sustainable project development. • At each stage of the business venture’s implementation the FM will undertake a physical audit to ensure that the funds have been used for approved purposes, and that the agreed environmental and social risk management tools have been utilised. This will involve completion of the social compliance audit (Annex 6) and submission of a monitoring report. There will also be unannounced spot checks on each supported agribusiness venture. • In those cases where specific mitigation requirements have been agreed, the company implementing the sub project will be responsible to ensure adherence be required to report at agreed stages on actions taken and outcomes. The FM will coordinate the agreed specialist inputs from either the Project’s panel of experts or in conjunction with a pre-qualified agency. • Non-adherence to the agreed standards/procedures will be discussed with the company and any failure to rectify shortcomings would trigger a formal warning and possible cancellation of project support - withdrawal of the loan guarantee is likely to have serious consequences for the supported venture.

2. Ministry of Natural Resources and Environment

99. Samoa’s environment laws are managed by the Ministry of Natural Resources and Environment (MONRE). It is comprised of nine divisions, five of which (Environment and Conservation; Forest Division; Land Management; Water Resources and Planning and Urban Management Agency - PUMA) are expected to be involved with the each projects environmental screen and vetting processes.

100. PUMA is the lead agency for implementation of the Planning and Urban Management Act 2004 and issuance of development consent for project development. PUMA is also the lead agency in environmental management and is responsible for setting the criteria for the requirements of an EIA, format, structure and review the consideration of findings in decisions relating to development consents. Accordingly, PUMA will be the lead agency for project collaboration to ensure all shortlisted and supported agribusiness ventures satisfy the government laws and regulations.

101. The FM will be the point of contact with the PUMA on all environmental matters relating to proposed projects. It is anticipated that the FM will inform and work with staff of the PMUA in regards to each project and agree on project acceptance and activities. Initial discussions on environmental categorization, terms of reference for IEE or EIA, meeting and discussion with project environmental and project consultant's consultants and formal reviews of these documents would be undertaken between the FM and PUMA. The PUMA is to be an integral component of the evaluation, management and monitoring of all projects submitted to and funded by the project.

3. Department of Labour

102. This Department of Labour, within the Ministry of Commerce, Industry and Labour, is responsible for administration of both the occupational health and safety (OH&S) and employment acts. These regulations require licenses and regular inspections of businesses to ensure compliance. OH&S and Labour Inspectors undertake assessments of business premises and have extensive powers in relation to enforcement of the regulations. The key provisions of both acts are incorporated in the social compliance audit template in **Annex 6**.

103. The key responsibilities for the implementation of environmental and social safeguards are summarised in Table 5.

Table 5 - Implementation Responsibilities of Key Parties

Tasks	Responsible Party/Organisation
Project Preparation Phase	
1. First assessment of design concept and potential funding opportunities under the project	Participating banks, FM and PUMA, MNRE
2. Safeguards Screening and Categorization	FM, contracted specialists as required, Government of Samoa in consultation with project client.
3. Safeguards Assessment procedures (PEAR/CEAR, etc.) including community stakeholder discussions if required.	FM, contracted specialists as required, and (MNRE – PUMA) in consultation with project Client.
4. Review and approval/rejection of safeguard documents	FM, contracted specialists as required, and (MNRE - PUMA) and participating banks
5. Undertake any additional assessment required from the above review.	FM, contracted specialists as required in consultation with project Client and PUMA.
Design Phase	
1. Incorporate mitigation measures from safeguard assessments into project design.	Project proprietor, assistance from the project and contracted specialists as required.
2. Prepare final design and costs.	Project proprietor, assistance from the project and contracted specialists as required.
3. Review and approve final project design.	FM, contracted specialists as required, (MNRE - PUMA) and participating banks (if required).
Construction Phase	
1. Implement measures required by safeguard plans	Contractors over seen by FM
2. Monitor compliance with safeguard plans.	Contractors, FM may involve contracted specialists, PUMA.
Operation Phase	
1. Maintenance of infrastructures and operational machinery.	FM may involve contracted specialists, PUMA.

B. Resources and Capacity

104. **Project Management.** Contracted experts, along with those utilised for the other business support services, will be recruited through a selection process and included on a consultants' panel for relevant short and medium term assignments. Where more than one expert is used to develop the overall business and safeguard plans they will be required to collaborate to ensure a comprehensive and manageable strategy is developed for each business venture and that safeguard management and mitigation strategies are embedded in the venture's development strategy from the outset. A safeguards specialist will be engaged on an intermittent basis to provide support to the FM in respect of review and endorsement of activity/investment safeguards screening, assessments, and monitoring.

105. The FM will also coordinate inputs and assistance from donor supported and other relevant agencies/organisations to supplement the role of the experts, ranging from the FAO to the South Pacific Commission. During project mobilization phase MOUs will be developed with relevant agencies to ensure timely and appropriate involvement and support.

106. Other social compliance screening and audit procedures will be undertaken by the FM as part of the project's business venture screening and monitoring procedures. Funds from the BSS budget will be utilised to recruit short term support for the FM to undertake the initial social compliance audits and this will be sufficient to allow the FM to undertake follow up audits and overall monitoring of social safeguards.

107. **Ministry of Natural Resources and Environment.** MONRE, and specifically PUMA, have staff trained and skilled to perform their tasks however the resources available to undertake additional work requirements of the project over and above their normal duties may be restrictive and possibly very limited periodically throughout the year. It therefore would not be prudent for the project to rely and burden the PUMA with increased work load. However, the project and the PUMA do need to work in unison to evaluate and licence projects. The FM will develop a working relationship with staff at MONRE and PUMA to ensure a professional and beneficial partnership approach.

108. **Department of Labour.** The resources available in the Department of Labour to undertake timely audits of business premises are, however, limited and it would not be prudent for the project to rely on the Department for the required audits and/or scheduled monitoring. Project-supported agribusiness ventures will, nonetheless, require a licence from the Department to operate in Samoa and regular contact will be maintained by the FM and in the event of serious relevant non-compliance offending businesses will, as a last resort, be referred to the Department for appropriate action.

C. Institutional Collaboration and Capacity Building

109. The project will work closely with the relevant authorities in Samoa on both environmental and social compliance issues. The procedures will include:

- (i) Initial consultations on proposed business ventures to discuss compliance with local regulations and, where appropriate, the track record of the company.
- (ii) Further consultations on short listed business ventures to discuss related issues and potential support and/or input from the relevant departments. Where appropriate policy related personnel and/or inspectors will be invited to take part as observers in the practical screening and audit processes.

- (iii) Institutional strengthening and capacity building of the PUMA staff will be undertaken as part of the daily activities of the project staff and specialists.
- (iv) Formal notification to relevant departments on those business ventures approved for project support and consultations on the agreed environmental and/or social compliance strategies.
- (v) Ongoing collaboration between the project and relevant departments on the management of the agreed strategies and the lessons learned.

110. There is no project funding allocated to a formal institutional capacity building program but the intended approach will provide useful capacity building support through exposure to “on the job” practices and the technical knowledge and experience of the project-contracted specialists.

References:

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

Government of Samoa. 2011. *Agriculture Sector Plan 2011 – 2015: Farming and Fishing First Volume 1*. Apia.

Government of Samoa. 2007. *Samoa Codes of Environmental Practice*. Apia.

ANNEX 1: ENVIRONMENTAL CATEGORIZATION FORM FOR THE PROJECT

<p>A. Instructions</p> <p>As part of the proposal, each proposed activity/investment will be screened for environmental risks and will use this form and the Rapid Environmental Assessment (REA) checklist (Annex 2) to categorize the activity/investment.</p> <p>The partner company completes the form and REA checklist and submits to the Project Management Unit (PMU) and Facility Manager (FM) for endorsement. All forms and checklists will be retained for monitoring.</p>							
<p>B. Activity/Investment Description</p> <p>Name of activity/investment:</p> <p>Approximate value:</p> <p>Location:</p> <p>Site description:</p> <p>Adjacent communities:</p> <p>Brief description of activities/works etc:</p>							
<p>C. Environment Category</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; border: none;"><input type="checkbox"/> Category A</td> <td style="width: 33%; border: none;"><input type="checkbox"/> Category B</td> <td style="width: 33%; border: none;"><input type="checkbox"/> Category C</td> </tr> </table>		<input type="checkbox"/> Category A	<input type="checkbox"/> Category B	<input type="checkbox"/> Category C			
<input type="checkbox"/> Category A	<input type="checkbox"/> Category B	<input type="checkbox"/> Category C					
<p>D. Basis for Categorization (pls. attach documents):</p> <p>[] REA Checklist</p> <p>[] Project and/or Site Description</p> <p>[] Other: _____</p>							
<p>E. Comments</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border: none; height: 40px; vertical-align: top;">Partner Company Comments</td> <td style="width: 50%; border: none; height: 40px; vertical-align: top;">PMU Comments</td> </tr> </table>		Partner Company Comments	PMU Comments				
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<p>F. Endorsement</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border: none; height: 40px; vertical-align: top;">Proposed by:</td> <td style="width: 50%; border: none; height: 40px; vertical-align: top;">Endorsed by:</td> </tr> <tr> <td style="border: none; height: 40px; vertical-align: top;">Name and designation</td> <td style="border: none; height: 40px; vertical-align: top;">Name and designation</td> </tr> <tr> <td style="border: none; height: 40px; vertical-align: top;">Date:</td> <td style="border: none; height: 40px; vertical-align: top;">Date:</td> </tr> </table>		Proposed by:	Endorsed by:	Name and designation	Name and designation	Date:	Date:
Proposed by:	Endorsed by:						
Name and designation	Name and designation						
Date:	Date:						

ANNEX 2: RAPID ENVIRONMENTAL ASSESSMENT (REA) CHECKLIST FOR THE PROJECT

Instructions:

- (i) This checklist to support the environmental classification of an activity, investment or sub-project project. It is to be attached to the environmental categorization form and submitted to the PMU and FM for verification.
- (ii) This checklist focuses on environmental issues and concerns. To ensure that social dimensions are adequately considered, refer also to (a) checklists on involuntary resettlement; (b) checklists on Indigenous Peoples; (c) consultation and participation plan; and (d) gender checklists.
- (iii) Answer the questions assuming the “without mitigation” case. The purpose is to identify potential impacts. Use the “remarks” section to discuss any anticipated mitigation measures.

Screening Questions	Y/N	Remarks
Project Siting		
Is the Project area adjacent to or within any of the following environmentally sensitive areas?		
Cultural heritage site		
Protected Area		
Wetland		
Mangrove		
Estuarine		
Buffer zone of protected area		
Special area for protecting biodiversity		
Bay		
B. Potential Environmental Impacts		
Will the Project cause...		
Ecological disturbances arising from the establishment of a plant or facility complex in or near sensitive habitats?		
Eventual degradation of water bodies due to discharge of wastes and other effluents from plant or facility complex?		
Serious contamination of soil and groundwater?		
Aggravation of solid waste problems in the area?		
Public health risks from discharge of wastes and poor air quality; noise and foul odor from plant emissions?		
Short-term construction impacts (e.g. soil erosion, deterioration of water and air quality, noise and vibration from construction equipment?		
Dislocation or involuntary resettlement of people		
Social conflicts arising from the influx of construction laborers from other areas?		

Screening Questions	Y/N	Remarks
Environmental degradation (e.g. erosion, soil and water contamination, loss of soil fertility, disruption of wildlife habitat) from intensification of agricultural land use to supply raw materials for plant operation; and modification of natural species diversity as a result of the transformation to monoculture practices?		
Water pollution from discharge of liquid effluents?		
Air pollution from all plant operations?		
Gaseous and odor emissions to the atmosphere from processing operations?		
Accidental release of potentially hazardous solvents, acidic and alkaline materials?		
Uncontrolled in-migration with opening of roads to forest area and overloading of social infrastructure?		
Occupational health hazards due to fugitive dust, materials handling, noise, or other process operations?		
Disruption of transit patterns, creation of noise and congestion, and pedestrian hazards aggravated by heavy trucks?		
Disease transmission from inadequate waste disposal?		

Climate Change and Disaster Risk Questions	Yes	No	Remarks
The following questions are not for environmental categorization. They are included in this checklist to help identify potential climate and disaster risks.			
Is the Project area subject to hazards such as earthquakes, floods, landslides, tropical cyclone winds, storm surges, tsunami or volcanic eruptions and climate changes (see Appendix I)?			
Could changes in precipitation, temperature, salinity, or extreme events over the Project lifespan affect its sustainability or cost?			
Are there any demographic or socio-economic aspects of the Project area that are already vulnerable (e.g., high incidence of marginalized populations, rural-urban migrants, illegal settlements, ethnic minorities, women or children)?			
Could the Project potentially increase the climate or disaster vulnerability of the surrounding area (e.g., increasing traffic or housing in areas that will be more prone to flooding, by encouraging settlement in earthquake zones)?			

Environments, Hazards and Climate Change

Environment	Natural Hazards and Climate Change
Arid/Semi-arid and desert environments	Low erratic rainfall of up to 500 mm rainfall per annum with periodic droughts and high rainfall variability. Low vegetative cover. Resilient ecosystems & complex pastoral and systems, but medium certainty that 10–20% of drylands degraded; 10-30% projected decrease in water availability in next 40 years; projected increase in drought duration and severity under climate change. Increased mobilization of sand dunes and other soils as vegetation cover declines; likely overall decrease in agricultural productivity, with rain-fed agriculture yield reduced by 30% or more by 2020. Earthquakes and other geophysical hazards may also occur in these environments.
Humid and sub-humid plains, foothills and hill country	More than 500 mm precipitation/yr. Resilient ecosystems & complex human pastoral and cropping systems. 10-30% projected decrease in water availability in next 40 years; projected increase in droughts, heatwaves and floods; increased erosion of loess-mantled landscapes by wind and water; increased gully erosion; landslides likely on steeper slopes. Likely overall decrease in agricultural productivity & compromised food production from variability, with rain-fed agriculture yield reduced by 30% or more by 2020. Increased incidence of forest and agriculture-based insect infestations. Earthquakes and other geophysical hazards may also occur in these environments.
River valleys/deltas and estuaries and other low-lying coastal areas	River basins, deltas and estuaries in low-lying areas are vulnerable to riverine floods, storm surges associated with tropical cyclones/typhoons and sea level rise; natural (and human-induced) subsidence resulting from sediment compaction and ground water extraction; liquefaction of soft sediments as result of earthquake ground shaking. Tsunami possible/likely on some coasts. Lowland agri-business and subsistence farming in these regions at significant risk.
Small islands	Small islands generally have land areas of less than 10,000km ² in area, though Papua New Guinea and Timor with much larger land areas are commonly included in lists of small island developing states. Low-lying islands are especially vulnerable to storm surge, tsunami and sea-level rise and, frequently, coastal erosion, with coral reefs threatened by ocean warming in some areas. Sea level rise is likely to threaten the limited ground water resources. High islands often experience high rainfall intensities, frequent landslides and tectonic environments in which landslides and earthquakes are not uncommon with (occasional) volcanic eruptions. Small islands may have low adaptive capacity and high adaptation costs relative to GDP.
Mountain ecosystems	Accelerated glacial melting, rockfalls/landslides and glacial lake outburst floods, leading to increased debris flows, river bank erosion and floods and more extensive outwash plains and, possibly, more frequent wind erosion in intermontane valleys. Enhanced snow melt and fluctuating stream flows may produce seasonal floods and droughts. Melting of permafrost in some environments. Faunal and floral species migration. Earthquakes, landslides and other geophysical hazards may also occur in these environments.
Volcanic environments	Recently active volcanoes (erupted in last 10,000 years – see www.volcano.si.edu). Often fertile soils with intensive agriculture and landslides on steep slopes. Subject to earthquakes and volcanic eruptions including pyroclastic flows and mudflows/lahars and/or gas emissions and occasionally widespread ashfall.

ANNEX 3: SUMMARY OF PEAR AND CEAR REQUIREMENTS

To measure environmental impacts, international standard guideline and protocols have been developed. Safeguard guidelines and processes (IEE and EIA) that are endorsed by the ADB and corresponding Country Safeguard Systems (CSS). In Samoa the corresponding systems are a Preliminary Environmental Assessment Report (PEAR) and a Comprehensive Environmental Report (CEAR). The key point of the PEAR/IEE and CEAR/EIA process involves the prediction of changes over time in the various environmental and social aspects as a result of a proposed project.

PEAR is conducted if the business venture is likely to have minor or limited environmental impacts, which can easily be predicted, evaluated and for which mitigation measures are prescribed easily. They are also used as a preliminary study to determine if the environmental impacts of a project warrant a CEAR being commissioned.

General objectives of a PEAR include at the least;

- (i) Information about the general environmental setting of the project area as baseline data;
- (ii) Information on potential impacts of the project and the characteristic of the impacts, magnitude, distribution, who will be the affected group, and their duration;
- (iii) Information on potential mitigation measures to minimise the impact including mitigation costs;
- (iv) Assess the best alternative project at most benefits and least costs in terms of financial, social, and environment. It is not always necessary to change location of the project, but it can be changed in project design or project management; and
- (v) Provide basic information for formulating management and monitoring plans.

A PEAR includes the following major elements: (i) Summary Initial Examination Report (detailed synopsis of the PEAR which can be a standalone summary), (ii) Introduction, (iii) Description of the Project, (iv) Description of the Environment, (v) Screening of Potential Environmental Impacts and Mitigation Measures, (vi) Institutional Requirements and Environmental Monitoring Plan, (vii) Public Consultation and Information Disclosure, (viii) Findings and Recommendations, and (ix) Conclusions.

A CEAR is commissioned when an in-depth comprehensive analysis of a project is required because of potential significance of environmental impacts. CEAR demands (i) comprehensive analysis of the potential impacts; (ii) works to be undertaken to formulate practical mitigation measures; (iii) in-depth economic valuation of impact to screen and evaluate the best alternative; and (iv) in-depth analysis to prepare an adequate environmental management plan.

The coverage of a CEAR includes at the least;

- (i) Baseline information about the environmental, social, and economic conditions in the project area;

- (ii) Information on potential impacts of the project and the characteristic of the impacts, magnitude, distribution, who will be the affected group, and their duration;
- (iii) Information on potential mitigation measures to minimise the impact including mitigation costs;
- (iv) To assess the best alternative project at most benefits and least costs in terms of financial, social, and environment. In addition to alternative location of the project, project design or project management may also be consider; and
- (v) Basic information for formulating environmental management plan.

A CEAR includes the following major elements: (i) Summary Initial Examination Report (detailed synopsis of the EIA which can be a standalone summary), (ii) Introduction, (iii) Description of the Project, (iv) Description of the Environment (with comprehensive baseline data) (v) Anticipated Environmental Impacts and Mitigation Measures, (vi) Analysis of Alternatives, (vii) Economic Assessment, (viii) Environmental Management Plan/s, (ix) Public Consultation and Information Disclosure, (x) Conclusion and Recommendations.

ANNEX 4: INVOLUNTARY RESETTLEMENT CATEGORIZATION FORM FOR THE PROJECT

A. Instructions As part of the proposal, each proposed activity/investment will be screened for involuntary resettlement risks and will use this form and attached checklist to categorize the activity/investment. The partner company completes the form and checklist and submits to the Project Management Unit (PMU) and Facility Manager (FM) for endorsement. All forms and checklists will be retained for monitoring.	
B. Activity/Investment Description Name of activity/investment: Approximate value: Location: Site description: Adjacent communities: Brief description of activities/works and potential land and resources impacts etc:	
C. Involuntary resettlement Category	
<input type="checkbox"/> Category A	<input type="checkbox"/> Category B
D. Basis for Categorization (pls. attach documents): <input type="checkbox"/> Checklist (attached) <input type="checkbox"/> Project and/or Site Description <input type="checkbox"/> Other: _____	
E. Comments	
Partner Company Comments	PMU Comments
F. Endorsement	
Proposed by:	Endorsed by:
Name and designation	Name and designation
Date:	Date:

Involuntary Resettlement Categorization Checklist

Probable Involuntary Resettlement Effects	Yes	No	Not Known	Comments
Involuntary Acquisition of Land				
1. Will there be land acquisition?				
2. Is the site for land acquisition known?				
3. Is the ownership status and current usage of land to be acquired known?				
4. Will easement be utilized within an existing Right of Way (ROW)?				
5. Will there be loss of shelter and residential land due to land acquisition?				
6. Will there be loss of agricultural and other productive assets due to land acquisition?				
7. Will there be losses of crops, trees, and fixed assets due to land acquisition?				
8. Will there be loss of businesses or enterprises due to land acquisition?				
9. Will there be loss of income sources and means of livelihoods due to land acquisition?				
Involuntary restrictions on land use or on access to legally designated parks and protected areas				
10. Will people lose access to natural resources, communal facilities and services?				
11. If land use is changed, will it have an adverse impact on social and economic activities?				
12. Will access to land and resources owned communally or by the state be restricted?				
Information on Displaced Persons:				
Any estimate of the likely number of persons that will be displaced by the Project? <input type="checkbox"/> No <input type="checkbox"/> Yes				
If yes, approximately how many? _____				
No displacement will take place				
Are any of them poor, female-heads of households, or vulnerable to poverty risks? <input type="checkbox"/> No <input type="checkbox"/> Yes				
Are any displaced persons from indigenous or ethnic minority groups? <input type="checkbox"/> No <input type="checkbox"/> Yes				

ANNEX 5: INDIGENOUS PEOPLES CATEGORIZATION FORM FOR THE PROJECT

A. Instructions As part of the proposal, each proposed activity/investment will be screened for involuntary resettlement risks and will use this form and attached checklist to categorize the activity/investment. The partner company completes the form and checklist and submits to the Project Management Unit (PMU) and Facility Manager (FM) for endorsement. All forms and checklists will be retained for monitoring.			
B. Activity/Investment Description Name of activity/investment: Approximate value: Location: Site description: Adjacent communities: Brief description of activities/works and potential land and resources impacts etc:			
C. Indigenous Peoples Category			
<input type="checkbox"/> Category A	<input type="checkbox"/> Category B	<input type="checkbox"/> Category C	
D. Project requires the broad community support of affected Indigenous Peoples communities <input type="checkbox"/> Yes <input type="checkbox"/> No			
E. Comments			
Partner company comments:		PMU comments:	
F. Endorsement			
Proposed by:		Reviewed by:	
Name and designation Date:		Name and designation Date:	

Indigenous Peoples Impact Screening Checklist

KEY CONCERNS (Please provide elaborations in Remarks column)	YES	NO	Not Known	Remarks
A. Indigenous Peoples Identification				
1. Are there socio-cultural groups present in or use the project area who may be considered as "tribes" (hill tribes, schedules tribes, tribal peoples), "minorities" (ethnic or national minorities), or "indigenous communities" in the project area?				
2. Are there national or local laws or policies as well as anthropological researches/studies that consider these groups present in or using the project area as belonging to "ethnic minorities", scheduled tribes, tribal peoples, national minorities, or cultural communities?				
3. Do such groups self-identify as being part of a distinct social and cultural group?				
4. Do such groups maintain collective attachments to distinct habitats or ancestral territories and/or to the natural resources in these habitats and territories?				
5. Do such groups maintain cultural, economic, social, and political institutions distinct from the dominant society and culture?				
6. Do such groups speak a distinct language or dialect?				
7. Has such groups been historically, socially and economically marginalized, disempowered, excluded, and/or discriminated against?				
8. Are such groups represented as "Indigenous Peoples" or as "ethnic minorities" or "scheduled tribes" or "tribal populations" in any formal decision-making bodies at the national or local levels?				
B. Identification of Potential Impacts				
9. Will the project directly or indirectly benefit or target Indigenous Peoples?				
10. Will the project directly or indirectly affect Indigenous Peoples' traditional socio-cultural and belief practices? (e.g. child-rearing, health, education, arts, and governance)				
11. Will the project affect the livelihood systems of Indigenous Peoples? (e.g., food production system, natural resource management, crafts and trade, employment status)				
12. Will the project be in an area (land or territory) occupied, owned, or used by Indigenous Peoples, and/or claimed as ancestral domain?				

KEY CONCERNS (Please provide elaborations in Remarks column)	YES	NO	Not Known	Remarks
C. Identification of Special Requirements <i>Will the activities/investment include:</i>				
13. Commercial development of the cultural resources and knowledge of Indigenous Peoples?				
14. Physical displacement from traditional or customary lands?				
15. Commercial development of natural resources (such as minerals, hydrocarbons, forests, water, hunting or fishing grounds) within customary lands under use that would impact the livelihoods or the cultural, ceremonial, spiritual uses that define the identity and community of Indigenous Peoples?				
16. Establishing legal recognition of rights to lands and territories that are traditionally owned or customarily used, occupied or claimed by indigenous peoples?				
17. Acquisition of lands that are traditionally owned or customarily used, occupied or claimed by indigenous peoples?				

ANNEX 6: SOCIAL PROTECTION COMPLIANCE AUDIT TEMPLATE FOR THE PROJECT

SOCIAL PROTECTION COMPLIANCE AUDIT	
Company Information	
Company Name	
Full Address	
Company Contact	
Telephone and E-mail	
Audit date	
Products Produced	
Auditor	

Executive Summary and Recommendations

CORRECTIVE ACTION PLAN			
		Forecast	Actual
Shortcomings	Corrective Action Required	Completion date	

Profile			
1.	Business Name		
2.	Address		
3.	Representatives Present		
4.	Products being produced/activities undertaken on site		
5.	Total Number of Employees	Total	Female
		Male	
6.	Any other significant points?		

No.	Question	Grade key	Minor issues	Moderate Issues	Major issues	Critical issues	Code key
		A = Operation is fully compliant B = Minor issues found C = Moderate issues found D = Major issues found E = Critical issues found					D – Documentary Verification M – Management interview O – Observation during factory tour W – Worker interview

1. Forced Labour							
No	Question					Remarks / Comments	Code
1.	Is there any forced or involuntary prison labour engaged in this factory?						
2.	Does the factory have a written policy regarding forced or prison labour?						
3.	Are workers free to leave their employer after giving reasonable notice?						
4.	Are off-duty workers free to come and go?						
5.	Are their security guards? What are their duties?						
6.	Any other significant points.						

2. Child Labour

No	Question						Remarks / Comments	Code
1	Does the factory have a documented policy relating to minimum age of employment?							
2	How is the factory's policy and local law communicated to all the workers?							
3	What is the age of the youngest worker employed in the factory?							
4	How does the factory ensure that workers meet the minimum age requirements?							
5	If any child labour is found, what is the factory's explanation or justification for this?							
6	Are any children and young persons under 18 employed at night or in hazardous conditions?							
7	Is there a register of workers under 18 in the factory?							
8	Is there any provision for workers under 18 to further their studies?							
9	Do the company's policies and procedures conform to the provisions of the relevant ILO standards?							
10	Are there any apprenticeship or work experience schemes in the factory? What is the duration of these schemes?							
11	Any other significant points							

3. Discrimination

No	Question						Remarks / Comments	Code
1.	Is there is any evidence of discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?							
2.	Is there a written Equal Opportunities policy?							
3.	Is there any evidence of discrimination between people of similar skills but different background?							
4.	Does the factory practice pregnancy testing prior to employment?							
5.	Any other significant points							

4. Freedom of Association / Right to Collective Bargaining							
No	Question					Remarks / Comments	Code
1	Workers have the right to join or form trade unions of their own choosing and to bargain collectively.						
2	The employer adopts an open attitude towards the activities of trade unions and their activities.						
3	What other methods exist for the workers to raise their grievances and concerns to management?						
4	Is there a written grievance procedure available?						
5	By what means is the grievance procedure communicated to the workers?						
6	Is there evidence that the factory management has been responsive to grievances raised by workers individually or collectively?						
7	Any other significant points?						

5. Wages and Conditions of Employment							
No	Question					Remarks/Comments	Code
1.	What are the local government regulations relating to wages and benefits? What is the legal minimum wage?						
2.	What is the factory's minimum wage?						
3.	Are the workers provided with a clear wage statement?						
4.	Are workers paid by the hour or by piecework? Is there evidence that they can meet the legal minimum wage?						
5.	If there are any deductions from wages permitted by local law, is this clearly stated on the wage slips and agreed by the worker?						
6.	Are workers compensated for overtime and how is this calculated?						
7.	What is the local legal requirement for overtime pay?						
8.	How is this communicated to the workers?						
9.	Are workers provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the period concerned, each time they are paid?						
10.	Are there deductions from wages as a disciplinary measure?						
11.	Are there any deductions from wages not provided for by national law or without the express permission of the worker concerned?						

12.	Are all disciplinary measures recorded?							
13.	What is the factory's policy for leave or annual holiday?							
14.	What sick leave benefit is provided by the factory?							
15.	What other benefits accrue to workers) either by local law or factory agreement?							
16.	How are these administered?							
17.	What notice periods apply for termination of the workers' contracts?							
18.	How long does a woman need to be in employment to qualify for maternity leave?							
19.	What special rules apply for pregnant women in the business?							
20.	What are the procedures for paternity leave?							
21.	Is there any evidence of termination of services as a result of becoming pregnant?							
22.	Any other significant points?							

6. Hours of Work

No	Question							Remark/Comments	Code
1.	What is the local legal requirement relating to overtime?								
2.	Does the factory have a written document detailing their overtime policy?								
3.	How much overtime is performed on average by workers in the factory on a daily, weekly and monthly basis?								
4.	What is the normal working day or shift for the workers?								
5.	How many breaks do the workers have during their working day?								
6.	Are workers provided with at least one day off for every 7 day period on average?								
7.	Is overtime voluntary?								
8.	Is overtime required by employer on a regular basis?								
9.	Does overtime exceed 12 hours per week?								
10.	Is overtime always compensated at a premium rate?								
11.	Any other significant points?								

7. Job Security / Tenure

No	Question							Remark/Comments	Code
1.	Are the workers given a clear, understandable contract with terms and conditions and their benefits outlined?								

Have obligations to employees under labour or social security laws and regulations been avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment?							
Have the above obligations been avoided through the excessive use of fixed-term contracts of employment.							
Are minimum social insurance requirements covered?							
Any other significant points?							

8. Humane Treatment of Workers							
No	Question					Remarks / Comments	Code
1.	Do valid records and reasons justify recent company dismissals?						
2.	Are disciplinary rules in a written form and presented to new employees?						
3.	Is there any evidence of abuse (physical, sexual or other harassment) by management?						
4.	Do workers have reasonable seating or acceptable pads for standing work and do they have sufficient breaks while performing their work?						
5.	Any other significant points?						

Audit undertaken by:

Date:

Signature: _____