

Environmental and Social Management System Arrangement

October 2019

NEP: Rural Enterprise Financing Project

ABBREVIATIONS

ADB	-	Asian Development Bank
EIA	-	Environmental Impact Assessment
EMP	-	Environmental Management Plan
EPR	-	Environment Protection Regulation (1997)
ESMS	-	Environmental and Social Management System
IEE	-	Initial Environmental Examination
PIAL	-	Prohibited Investment Activities List
SFAC	-	small farmers' agriculture cooperatives
SFDB	-	Small Farmers Development Bank
SPS	-	Safeguards Policy Statement

This environmental and social management system arrangement is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff; and may be preliminary in nature.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

A. Applicable Environmental and Social Safeguard Requirements

1. Small Farmers Development Bank (SFDB)¹ will ensure that:
 - (i) all financed subprojects using the Asian Development Bank (ADB) loan are screened against the Prohibited Investment Activities List (PIAL) [Attachment 1] of the ADB Safeguard Policy Statement (SPS) and relevant Operations Manual definitions;²
 - (ii) all financed subprojects using ADB loan with potential significant environmental and social impacts are reviewed and evaluated against the Safeguard Requirements 1-3 of the SPS and relevant Operations Manual definitions; and
 - (iii) all financed subprojects are reviewed and evaluated against the national laws, regulations and standards on environment, health, safety, involuntary resettlement and land acquisition, indigenous peoples, and physical cultural resources.
2. None of the components of the sample subprojects have significant environmental impacts which are mainly attributed to the nature of the components which will primarily improve the environmental condition.³ Careful siting and engineering of subproject components coupled with clearly defined operation and maintenance procedures are specified to mitigate adverse environmental impacts. Other subprojects are unlikely to have negative impacts.
3. The project can have positive impacts for indigenous peoples (IP) by providing them access to finance. If the proposed subproject is classified as category B and if it is likely to have limited impacts on IP, an Indigenous Peoples Plan (IPP), including assessment of social impacts, is required.
4. The subprojects above the maximum loan ceiling (NRs20 million for collective enterprises; and NRs5 million for individual enterprises) are ineligible for financing under the project.
5. This environmental and social management system (ESMS) will be communicated to all staff, and operational employees of SFDB, small farmers agriculture cooperatives (SFACs) and loan recipients (sub-borrowers) for compliance.

B. Environmental and Social Management Procedures of the Government of Nepal

6. The Government of Nepal enacted the Environment Protection Act 1996 and the Environment Protection Rules (EPR), 1997, which makes the application of the initial environmental examination (IEE), 1997 and environmental impact assessment (EIA) process legally binding for prescribed projects. The Ministry of Forests and Environment is coordinating the EPR implementation and EIA report approvals, and granting environmental clearance. The

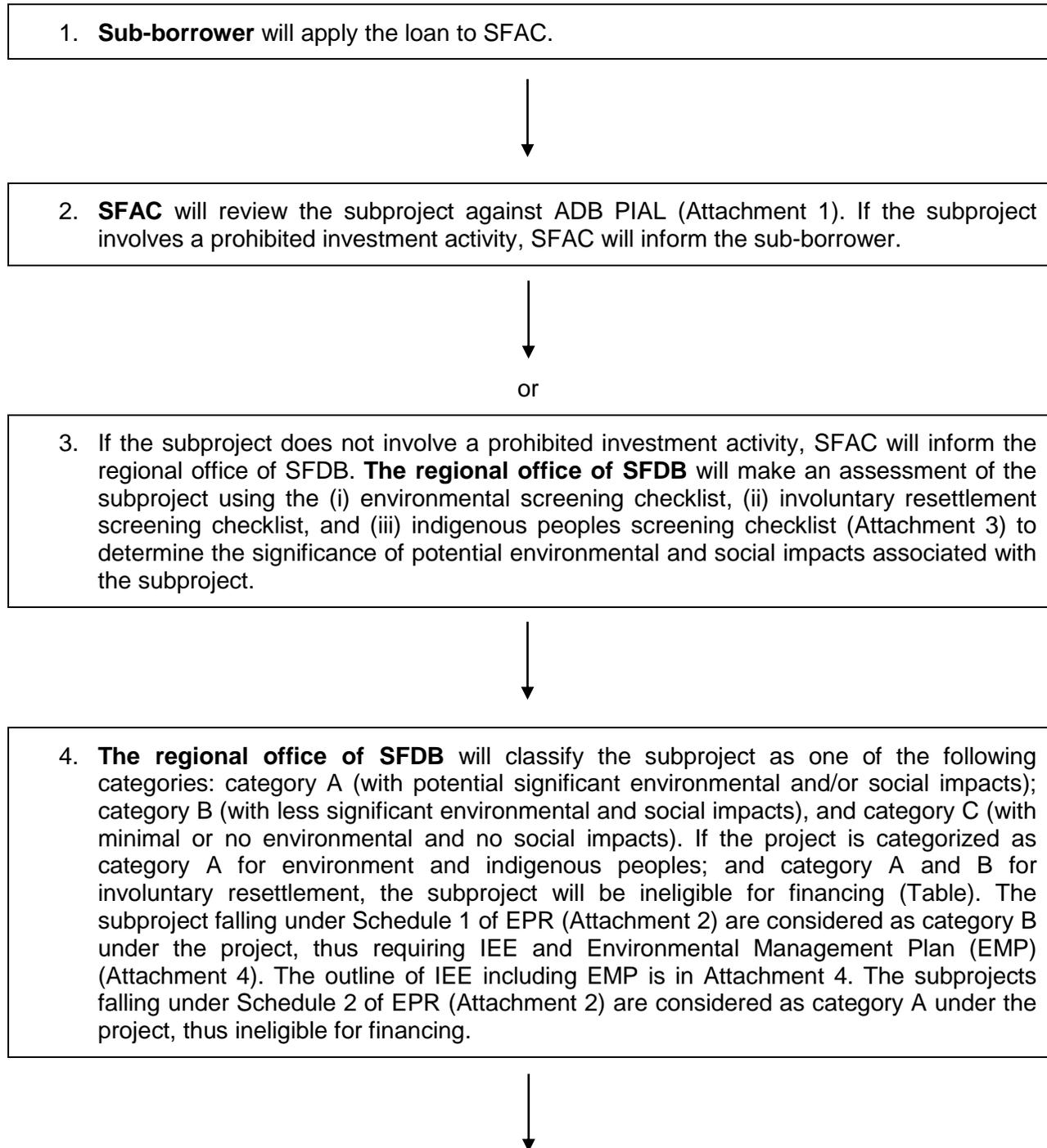
¹ Sana Kisan Bikas Laghubitta Bittiyasanstha Ltd or commonly called SFDB.

² ADB. 2009. *ADB Safeguard Policy Statement*. Manila. <https://www.adb.org/sites/default/files/institutional-document/32056/safeguard-policy-statement-june2009.pdf>

³ The sample subprojects include a milk collection center and two rice mills in Rupandehi; and a tea processing factory and seed processing factory in Jhapa.

Ministry of Agriculture and Livestock Development has the overall responsibility for environmental monitoring and approval of final IEE reports for agriculture and livestock related projects. List of possible rural enterprises, requiring IEE and EIA as per EPR, 1997 are given in Attachment 2.

C. Environmental and Social Management Procedures



5. The regional office of SFDB will submit the complete screening checklists with the subproject categorization to the head office of SFDB. **The environmental and social safeguards unit headed by the environmental and social safeguards specialist of the SFDB head office** will review and verify the screening checklists and the subproject categorization. The review and verification will be in principle based on (i) desk review for category C subprojects, and (ii) on-site visit for category B subprojects.



6. If the subproject is verified as C for environment, involuntary resettlement and indigenous peoples, **the environmental and social safeguard unit of the SFDB head office** will inform the regional office of SFDB to approve financing. The regional office of SFDB in turn informs SFAC to proceed with financing.



7. If the subproject is verified as B for environment and/or indigenous peoples, **the environmental and social safeguard unit of the SFDB head office, with support from the regional office of SFDB**, will prepare IEE and/or IPP according to the Outline of an IEE including EMP (Attachment 4) and/or Outline of an IPP (Attachment 5). **The SFDB head office** will submit IEE/EMP and/or IPP to **ADB's regional department** for review and approval prior to financing.



8. After a category B project is approved, **the regional office of SFDB** (i) communicates with the financed subproject and confirms from time to time that the project is undertaking the obligations of compliance with all applicable environmental and social safeguard requirements; and (ii) will promptly report to **the SFDB head office** any actual or potential breach of the compliance requirements after becoming aware of it. The compliance against the applicable environmental and social safeguard requirements will be evaluated annually. **The SFDB head office** will submit to **ADB's regional department** an annual environmental and social safeguard monitoring report substantially in the form set out in Attachment 6 and 7.

Table: Safeguard Requirements

Category (Risk Rating)	Environmental Assessment	Involuntary Resettlement	Indigenous Peoples
Category A (with potential significant impacts)	Ineligible for project financing		
Category B (with less significant impacts)	Comply with national laws	Ineligible for project financing	Comply with national laws
Category C (with minimal or no impacts for environmental; and no impact for involuntary resettlement and indigenous peoples)	Comply with national laws	Comply with national laws	Comply with national laws

D. Organizational Responsibilities, Resources and Capacity

7. Both SFDB and SFAC has no prior experience in implementing the ESMS. Under the project, an environmental and social safeguard specialist (consultant) will be hired to support SFDB to implement the ESMS and develop SFDB's safeguard capacity. In addition, SFDB will (i) establish a dedicated unit for the environmental and social safeguard at its head office, (ii) appoint a full-time staff to monitor and supervise the ESMS implementation at the environmental and social safeguard unit at the SFDB head office, and (iii) assign a focal person for the ESMS implementation at each regional office of SFDB. The environmental and social safeguards specialist (consultant) will develop a training program on environmental and social safeguards and provide training to staff of SFDB (head office, regional offices), and SFACs to implement the ESMS.

ADB PROHIBITED INVESTMENT ACTIVITIES LIST

The following do not qualify for Asian Development Bank financing:

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

ENVIRONMENT PROTECTION RULES, 1997 (WITH AMENDMENT), SCHEDULE -1
(only relating to possible rural enterprises are mentioned below)

I. Proposals Requiring Initial Environmental Examination (IEE)

A. Forest Sector

1. Rehabilitation of national forests with an areas of not more than 5 hectares (ha).
2. Collection of 5–50 tons of forest products other than timber per year.
3. Commercial production of medicinal herbs and aromatic plants in public scrublands.
4. Commercial collection or industrial processing of non-polluting medicinal herbs and aromatic plants.

B. Industrial Sector

1. Processing of leather not more than 5,000 square foot (ft²)/day.
2. Establishment of dairy processing industries.
3. Establishment of total fixed capital exceeding NRs1 million:
 - (a) Slaughter house
 - (b) Food processing
 - (c) Cold storage
 - (d) Vegetable ghee, oil
 - (e) Herbal processing
 - (f) Productions of different items from bone, horn and foot root
 - (g) Rosin turpentine, veneer and catechu
 - (h) Fish and meat processing

C. Agricultural Sector

1. Clearing of national forests covering up to 1 ha in the Hills and 5 ha in the Terai, and using then for agricultural purposes.
2. Following construction Activities
 - (a) Construction of 1–5 kilometers (km) long agricultural road
 - (b) Construction activities for farming 2,000–5,000 domestic fowls
 - (b) Construction activities for farming big cattle numbering between 100–500
 - (c) Construction activities for farming small cattle (sheep and goats) numbering between 1,000–5,000
 - (d) Establishment of agricultural wholesale markets in metropolitan and sub-metropolitans with more than 1 ha area in Terai and with more than 0.5 ha area in other places
 - (e) Construction of licensed slaughterhouse
3. Establishment of the following agro based industries to dispose of polluted substances mixed with dangerous toxins:
 - (a) Milk-processing industries with a capacity up to 26,000 liters per day
 - (b) Such, agro based industries as those producing jam, jelly, squash and juice
 - (c) Cheese industries
4. Commercial fish-farming in areas of more than 1 ha

ENVIRONMENT PROTECTION RULES, 1997 (WITH AMENDMENT), SCHEDULE-2
(only relating to possible rural enterprises are mentioned below)

II. Proposals Not Eligible for Financing

A. Forest Sector

1. Clear felling or rehabilitation of forests with an area of more than 5 ha
2. Collection of forest related products except more than 50 ton of woods
3. Clearing of public's forests and establishment of new medical herbs center for commercial production
4. Commercial and industrial processing of medicinal herbs and aromatic plants which emit garbage and pollution

B. Industrial Sector

Processing of hides more than 500 ft²/day.

C. Agricultural Sector

1. Clearing of national forests covering more than 1 ha in the Hills and 5 ha in the Terai, and using then for agricultural purposes.
2. Following activities relating to construction:
 - (a) Construction of more than 5 km long agricultural roads
 - (b) Construction activities for farming more than 5,000 domestic fowls
 - (c) Construction activity for farming more than 500 big cattle
 - (d) Construction activity for farming more than 5,000 small cattle (sheep and goats)

D. If any proposal is to be implemented in the following areas:

1. Historical, cultural and archeological sites
2. Environmentally weak and wet Areas
3. National parks, wide life sanctuaries and conservation areas
4. Semi-arid, mountainous and Himalayan regions
5. Flood prone and other dangerous areas
6. Residential, school and hospital areas
7. Areas with main sources of public water supply

ENVIRONMENT SCREENING CHECKLIST

PART 1 – to be filled by SFDB Regional Office for the subprojects

Basic Information		
1	Name of SFAC Name of the enterprise (in case of collective enterprise)/sub-borrower (in case of individual enterprise)	
3	Location/full address:	
4	Nature and scope of business: (which sub/sector, mainly sale or production or research and development or others? If a combination, rough %?)	
5	Designed (production) capacity: (per year and/or per day; if not applicable, need to explain here)	
6	Actual capacity or scale: (per year and/or per day; Briefly explain the difference with the designed capacity or scale)	
7	Main production process(es): (Provide simple flowchart to show main input of materials, water, energy (heat, steam or fuels etc.), output of intermediate and final products, and wastes (gaseous, liquid or solid) etc.	
8	Main product(s): Describe briefly the name, main usage, chemical or biochemical composition etc.	
	Profile of employees	Male
		Female
		Total
9	Other information	
Subproject basics		
10	Amount of loan requested: In local currency	
11	Intended use of the loan: Briefly describe if it is for new line of business/production, expansion or upgrade/rehab existing business /production or	

	other uses?		
12	Designed (production) capacity: per year and/or per day; if not applicable, need to explain here		
13	Tech. process(es): If applicable, provide simple flowchart to show main input of materials, water, energy (heat, steam or fuels etc.), output of intermediate and final products.		
14	Main product(s) of sale or R&D: Describe briefly the name, main usage, chemical or biochemical composition etc.		
15	List wastes the subproject will generate (<i>where relevant</i>): Provide estimate their amount if you can per year or per day etc.	Gaseous emissions	
		Wastewater	
		Solid waste	
		Hazardous waste	
		Noise	
	Planned method of waste disposal/management	Gaseous emissions	
		Wastewater	
		Solid waste	
		Hazardous waste	
	Other relevant information		
Signature of SFDB Officer, ____ Regional Office		Date	

PART 3 – To be filled by SFDB Regional Office

After completing Part 1-2, subprojects that fall to category B-C should be further screened by the list below about its siting which contributes to its potential environmental-social risks thus category.

Sensitive receptors and/or protected areas Include but are not limited to:	If inside these areas, please provide details	If outside, where and how far from its boundary?
Critical habitat and natural habitat as defined by ADB Safeguard Policy Statement, world natural or cultural heritage sites, officially designated nature reserves, forest park, geo-park, important wetland, key habitats for wildlife, reproduction area of protected flora, spawning, feeding, wintering ground and migrating route for key aquatic life, estuary, mangrove		
Designated basic farmland, basic grassland, scenic area/park, drinking water source protective zone, oceanic special protective zones, natural fishery ground, key zone for water and soil erosion control, closure zone for desertification etc.		
Areas with main function as residential, health and medical, cultural, educational, research and development, and offices as well as physical cultural resources/relics, airports, airfields or military bases/zones etc.		

INVOLUNTARY RESETTLEMENT SCREENING CHECKLIST

Name of SFAC:

Name of Enterprise (for collective enterprise)/Name of Sub-borrower (for individual enterprise):

Location:

Probable Involuntary Resettlement Effects	Yes	No	Not Known	Remarks
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? _____				
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				

Note: The project team may attach additional information on the project, as necessary.

IR Categorization: <input type="checkbox"/> A – significant IR impacts (200 or more); RP required <input type="checkbox"/> B – insignificant IR impacts; RP required <input type="checkbox"/> C – no impact; no requirement	Prepared by: SFDB Regional Office Name and Signature: _____ Designation: _____ Date: _____
	Reviewed by: SFDB Head Office Name and Signature: _____ Designation: _____ Date: _____

INDIGENOUS PEOPLES SCREENING CHECKLIST

Name of SFAC:

Name of Enterprise (for collective enterprise)/Name of Sub-borrower (for individual enterprise):

Location:

KEY CONCERNS (Please provide elaborations on the 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)				

KEY CONCERNS (Please provide elaborations on the Remarks column)	YES	NO	NOT KNOWN	Remarks
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?				
C. Identification of Special Requirements <i>Will the project activities 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?				

D. Anticipated project impacts on Indigenous Peoples

Project component/ activity/ output	Anticipated positive effect	Anticipated negative effect
1. LIST ALL PROJECT COMPONENT / ACTIVITY / OUTPUTS HERE	---- INDICATE EFFECTS TO IPS OR PUT N/A AS NECESSARY	
2.		
3.		
4.		
5.		

Note: The project team may attach additional information on the project, as necessary.

IP Categorization: <input type="checkbox"/> A – significant impacts; IPP required <input type="checkbox"/> B – insignificant impacts; IPP required <input type="checkbox"/> C – no impact; no requirement	Prepared by: SFDB Regional Office Name and Signature: _____ Designation: _____ Date: _____
	Reviewed by: SFDB Head Office Name and Signature: _____ Designation: _____ Date: _____

OUTLINE OF AN INITIAL ENVIRONMENTAL EXAMINATION REPORT

A. Executive Summary

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

B. Policy, Legal, and Administrative Framework

This section discusses the national and local legal and institutional framework within which the environmental assessment is carried out. It also identifies project-relevant international environmental agreements to which the country is a party.

C. Description of the Project

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

D. Description of the Environment (Baseline Data)

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

E. Anticipated Environmental Impacts and Mitigation Measures

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

F. Analysis of Alternatives

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

G. Information Disclosure, Consultation, and Participation

This section:

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

H. Grievance Redress Mechanism

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

I. Environmental Management Plan

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

- (i) **Mitigation**
 - (a) Identifies and summarizes anticipated significant adverse environmental impacts and risks, describes each mitigation measure with technical details, including the type of impact to which it relates and the conditions under which it is required (for instance, continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate; and
 - (b) Provides links to any other mitigation plans (for example, for involuntary resettlement, indigenous people, or emergency response) required for the project.
- (ii) **Monitoring**
 - (a) Describes monitoring measures with technical details, including parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits, and definition of thresholds that will signal the need for corrective actions; and
 - (b) Describes monitoring and reporting procedures to ensure early detection of conditions that necessitate mitigation measures, and documents the progress and results of mitigation.

(iii) **Implementation arrangements**

- (a) Specifies the implementation schedule, showing phasing and coordination with overall project implementation;
- (b) Describes institutional or organizational arrangements, namely, who is responsible for carrying out the mitigation and monitoring measures, which may include one or more of the following additional topics to strengthen environmental management capability: technical assistance programs, training programs, procurement of equipment and supplies related to environmental management and monitoring, and organizational changes; and
- (c) Estimates capital and recurrent costs and describes sources of funds implementing the environmental management plan.

- (iv) **Performance indicators.** Describes the desired outcomes as measurable events to the extent possible, such as performance indicators, targets, or acceptance criteria that can be tracked over defined time periods.

J. Conclusion and Recommendation

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

OUTLINE OF AN INDIGENOUS PEOPLES PLAN

1. An Indigenous Peoples plan (IPP) is required for all subprojects with impacts on Indigenous Peoples. Its level of detail and comprehensiveness is commensurate with the significance of potential impacts on Indigenous Peoples. The substantive aspects of this outline will guide the preparation of IPPs, although not necessarily in the order shown.

A. Executive Summary of the Indigenous Peoples Plan

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

B. Description of the Project

3. This section provides a general description of the subproject; discusses subproject components and activities that may bring impacts on Indigenous Peoples; and identify project area.

C. Social Impact Assessment

4. This section:

- (i) reviews the legal and institutional framework applicable to Indigenous Peoples in project context.
- (ii) provides baseline information on the demographic, social, cultural, and political characteristics of the affected Indigenous Peoples communities; the land and territories that they have traditionally owned or customarily used or occupied; and the natural resources on which they depend.
- (iii) identifies key project stakeholders and elaborate a culturally appropriate and gender-sensitive process for meaningful consultation with Indigenous Peoples at each stage of project preparation and implementation, taking the review and baseline information into account.
- (iv) assesses, based on meaningful consultation with the affected Indigenous Peoples communities, the potential adverse and positive effects of the subproject. Critical to the determination of potential adverse impacts is a gender sensitive analysis of the relative vulnerability of, and risks to, the affected Indigenous Peoples communities given their particular circumstances and close ties to land and natural resources, as well as their lack of access to opportunities relative to those available to other social groups in the communities, regions, or national societies in which they live.
- (v) includes a gender-sensitive assessment of the affected Indigenous Peoples' perceptions about the subproject and its impact on their social, economic, and cultural status.
- (vi) identifies and recommends, based on meaningful consultation with the affected Indigenous Peoples communities, the measures necessary to avoid adverse effects or, if such measures are not possible, identifies measures to minimize, mitigate, and/or compensate for such effects and to ensure that the Indigenous Peoples receive culturally appropriate benefits under the subproject.

D. Information Disclosure, Consultation and Participation

5. This section:

- (i) describes the information disclosure, consultation and participation process with the affected Indigenous Peoples communities that was carried out during project preparation;
- (ii) summarizes their comments on the results of the social impact assessment and identifies concerns raised during consultation and how these have been addressed in project design;
- (iii) in the case of subproject activities requiring broad community support, documents the process and outcome of consultations with affected Indigenous Peoples communities and any agreement resulting from such consultations for the subproject activities and safeguard measures addressing the impacts of such activities;
- (iv) describes consultation and participation mechanisms to be used during implementation to ensure Indigenous Peoples participation during implementation; and
- (v) confirms disclosure of the draft and final IPP to the affected Indigenous Peoples communities.

E. Beneficial Measures

6. This section specifies the measures to ensure that the Indigenous Peoples receive social and economic benefits that are culturally appropriate, and gender responsive.

F. Mitigative Measures

7. This section specifies the measures to avoid adverse impacts on Indigenous Peoples; and where the avoidance is impossible, specifies the measures to minimize, mitigate and compensate for identified unavoidable adverse impacts for each affected Indigenous Peoples groups.

G. Capacity Building

8. This section provides measures to strengthen the social, legal, and technical capabilities of (i) government institutions to address Indigenous Peoples issues in the subproject area; and (ii) Indigenous Peoples organizations in the subproject area to enable them to represent the affected Indigenous Peoples more effectively.

H. Grievance Redress Mechanism

9. This section describes the procedures to redress grievances by affected Indigenous Peoples communities. It also explains how the procedures are accessible to Indigenous Peoples and culturally appropriate and gender sensitive.

I. Monitoring, Reporting and Evaluation

10. This section describes the mechanisms and benchmarks appropriate to the subproject for monitoring, and evaluating the implementation of the IPP. It also specifies arrangements for participation of affected Indigenous Peoples in the preparation and validation of monitoring, and evaluation reports.

J. Institutional Arrangement

11. This section describes institutional arrangement responsibilities and mechanisms for carrying out the various measures of the IPP. It also describes the process of including relevant local organizations and NGOs in carrying out the measures of the IPP.

K. Budget and Financing

12. This section provides an itemized budget for all activities described in the IPP.

SUGGESTED SCOPE FOR AN ANNUAL ENVIRONMENTAL MONITORING REPORT

A. Loan Recipient Project Name and Summary Information

- (i) Location and contact numbers
- (ii) Scale/size/capacity
- (iii) Reporting period covered by this monitoring report (month/year)

B. Current Project Status

- (i) Please specify if project is at design, construction, expansion, operation, or closure stage.
- (ii) List key developments that have taken place in relation to the loan recipient project during the reporting period (e.g., changes to the status of the project (for example from construction to operation); an increase or decrease in production capacity or labor force; new management, buildings or equipment, and land acquisition/expansion.
- (iii) As a result of these changes, have any new management procedures been introduced or modifications made to existing systems? (This might include such things as storage and handling procedures for new chemicals, operating processes for wastewater treatment, or the introduction of personal protective equipment such as safety gloves or hearing protection.)

C. Compliance with Relevant Government Requirements

- (i) Permits and compliance certificates issued by government agency(ies) (include name of agency), their issuance dates and duration of validity
- (ii) Permit conditions and renewal requirements
- (iii) Government visits/inspections, notices and assessments (attach copies)
- (iv) Other standards and/or certificates (e.g., ISO 14000 Environmental Management Systems and Standards)

D. Grievance Redress Mechanism

- (i) Date established and description of organizational arrangements
- (ii) Incidents of violations or non-compliance (e.g., nature of non-compliance, violation or non-compliance based on what environmental standards and regulations, recorded dates and organizations involved, actions taken to resolve grievances, and media or community reactions (if any), complaints or protests from local communities and how these were resolved; outstanding issues and proposed measures for resolution.

E. Occupational and Community Health and Safety

- (i) Health and safety training program conducted (focus of training, attendees)
- (ii) Emergency response drills conducted (focus of drill, participants)
- (iii) Health and safety practices (including for HIV/AIDS) or measures required of contractors at the site
- (iv) Health and safety check up for workers
- (v) Changes in health and safety procedures, if applicable

- (vi) Incidents that have caused environmental damage, casualties or damage to human health, and/or attracted attention of outside parties (e.g., fire, explosion, chemical or oil spill, pollution release into atmosphere, pollution release into water, pollution release into soil and groundwater). Please specify dates, scale of damage and injury (if any), fatalities, serious injuries (requiring emergency treatment or hospitalization), lost time accidents (requiring more than one day off work to recover), incidents involving evacuation, compensation claims filed, authorities in charge of investigation/recording, and media or community reactions (if any)

F. Environmental Capacity

- (i) Number of staff, qualifications and experience in environmental management
- (ii) Awareness of: (a) environmental management, (b) health and safety, (c) environmental laws and regulations, and (d) ADB's Safeguard Policy Statement
- (iii) Training programs carried out
- (iv) Assessment of environmental management capacity needs (including planned capacity building programs)

G. Stakeholder Consultation

Details of consultations, if any, with affected people, local communities, nongovernmental organizations, civil society groups, the media and other stakeholders.

H. Compliance with Applicable Environmental Safeguard Requirements as Defined in ESMS

Implementation of Environmental Management Plan (EMP) (citing changes in the EMP, where warranted) at construction or operation phase, focusing on mitigation measures and monitoring program. Attach the EMP matrix as summary and copies of monitoring reports. If standards or thresholds are exceeded, specify the corrective actions implemented or to be implemented.

I. Other Information and Feedback

This may relate to broader environmental issues, labor relations or community initiatives within your loan recipient, positive media or NGO attention, training activities, management system initiatives or cost savings through process efficiency, environment-friendly processes including use of environmentally-benign raw materials.

SUGGESTED SCOPE FOR AN ANNUAL SOCIAL SAFEGUARDS MONITORING REPORT

A. Introduction

Brief loan recipient project description

B. Physical Progress of Loan recipient Project Components with Resettlement and Indigenous Peoples Impacts

List of loan recipient project components with resettlement and indigenous peoples impacts and progress updates (including engineering progress, and ground clearing, land acquisition and structure demolition progress)

C. Scope of Resettlement Impacts and and/or Impacts on Indigenous Peoples

- (i) Actual scope of land acquisition and resettlement (including the methodology to determine the actual scope of land acquisition and resettlement, and comparison with the scope of impacts in resettlement plan(s))
- (ii) Actual impacts on Indigenous Peoples (including the methodology to determine the actual scope of impacts on Indigenous Peoples, and comparison with the scope of impacts in Indigenous Peoples plan(s))

D. Institutional Arrangements

- (i) Key organizations involved in resettlement plan and/or Indigenous Peoples Plan (IPP) implementation
- (ii) Progress of activities implemented by other organizations
- (iii) Specific implementation arrangements for Indigenous Peoples

E. Compensation Rates, Payment and Assistance Delivery

- (i) Compensation rates for land, resettlement subsidies, standing crops, and trees
- (ii) Compensation for buildings and allowances for relocation
- (iii) Allocation and utilization of resettlement compensation
- (iv) Payment delivery to affected village groups and individuals
- (v) Assistance delivery to affected Indigenous Peoples

F. Status of Land Acquisition, Resettlement, and Reconstruction

- (i) Housing relocation and reconstruction
- (ii) Provision of replacement agricultural and/or commercial land
- (iii) Restoration of affected public infrastructure and facilities
- (iv) Restoration of land used for construction-related activities
- (v) Implementation progress of income restoration activities
- (vi) Support to vulnerable groups
- (vii) Implementation progress of specific measures for affected Indigenous Peoples

G. Consultation and Disclosure Activities and Grievance Procedures

- (i) Consultations on compensation standards and fees, relocation options, etc.
- (ii) Specific consultations conducted with Indigenous Peoples on the loan recipient's project, its impacts and assistance to Indigenous Peoples
- (iii) Grievances received and actions taken to address them

H. Grievance Redress Mechanism

- (i) Date established and description of organizational arrangements
- (ii) Grievances reported and resolution processes (e.g., nature of grievance, recorded dates and organizations involved, actions taken to resolve grievances, and media or community reactions (if any))

I. Compliance with Applicable Social Safeguard Requirements as Defined in the ESMS

J. Concerns and Work Plan

- (i) Concerns encountered, solutions provided and good practices established
- (ii) Work plan (staffing, training, and work schedules)