Monitoring Tool

# Summaries on ADB on Environment from 1998 until 2003

Philippine Rural Reconstruction Movement with NGO Forum on the ADB

# Instructions

These summaries are intended as a tool to monitor ADB projects against ADB environmental provisions. The summaries include all of ADB's existing environmental provisions from 1988 up to the ones in place today. In order to monitor a particular project, is it first necessary to determine when the project was approved. The provision that applies to the project will be that provision that was in place at the approval date, i.e. before it was superceded by the following provision. For instance, if a project is approved in 1994, it falls under the Operations Manual Section of 1992, and if a project is approved in 1999, it falls under the Operations Manual Section of 1998. All projects approved after November 2002 fall under the Environment Policy dated November 2002 and also under the Operations Manual Section 20, approved in February 2003 and the Environmental Assessment Guidelines approved in 2003.

These summaries include all the relevant, binding requirements in the various ADB provisions. They are intended to facilitate the monitoring process by simplifying the lengthy, legal ADB texts. They can be used in cases where the actual original ADB provisions are not available. However, for cross-checking these summaries and the monitoring against the original text of the respective ADB document, the documents can be obtained through the NGO Forum on the ADB and the ADB's NGO Center should also furnish copies of these documents. The NGO Center can be contacted by e-mail at ngocoordinator@adb.org. The sentences and sections in italics are verbatim excerpts from the ADB text and the sections and sentences in regular font are summarized and/or paraphrased. All emphases are added.

# Environmental Considerations in Bank Operations, OM Section, 21 Feb. 1988

SUMMARY

**Environmental Categories**

**Para 11:** *Proposed Bank projects are divided into four broad impact categories, reflecting the severity of their likely environmental impacts and thus their need for environmental analysis:*

***Category A:*** *includes projects rarely having significant adverse environmental impacts;*[1]

**Category B:** those with significant adverse environmental impacts but for which mitigative/remedial measures may be prescribed readily;

**Category C:** includes those with significant adverse environmental impacts and that require detailed environmental assessment/analysis; and

**Category D:** environmentally-oriented projects

**Selection Criteria Categorization of Projects Based on Potential Environmental Impacts (Appendix 1 of ADB document, page 11 of OM Section):**

**Category A:** Projects in this category generally include education, population and health (save the treatment of hospital wastes), credit institutions, capital markets, and rehabilitation projects.

**Category B:** Projects in this category generally include agro-industries, crop intensification schemes, importation of agro-chemicals, livestock, fish-farming, fisheries facilities, dendrothermal schemes, small irrigation schemes, water supply and sanitation, housing development (including slum upgrading), rehabilitation or updgrading of existing roads, communications, small-scale industrial plants and estates, underground mining, transmission lines, mini hydropower schemes and agriculture and industrial development finance institutions.

**Category C:** Projects in this category include large-scale irrigation and water management projects, river basin development (river engineering works, river diversion, etc.), drainage projects, new land development for agricultural and urban development (land-leveling or cleaning of forests or mangroves), health or agriculture projects involving the large-scale application of pesticides (e.g. crop protection), displacement and resettlement of indigenous and vector control communities, new roads, especially penetration roads cutting through forests or other environmentally sensitive areas, new airports, large-scale ports and harbors, large-scale water supply, sanitation and sanitary landfill projects (large-scale land reclamation), medium and large-scale land reclamation), medium and large-scale power-generating and industrial plants, large impoundments of water and open-surface mining.

**Category D:** Projects in this category include forestry development projects (reforestation/afforestation, watershed planning and management, woodland/woodlot development and community forestry development), land and soil management projects (reclamation of degraded barren land, soil erosion/siltation control, environmental control and abatement (water/air quality planning and management, industrial pollution control including agro-wastes utilization, solid waste disposal and noise control), natural resources and agriculture systems, coastal zone management, (including mangroves), fisheries/aquaculture management, integrated pest management, wildlife management and establishment of reserves and national parks, environmental health and disease control and elimination of disease vectors such as malaria, etc.), biological integrated control and environmental institution building (natural resources inventories, environmental resource legislation, environmental quality monitoring, development/enforcement of environmental regulations, environmental impact assessment/land-use planning, research in environmental sciences and technologies and environmental education and training).

### Requirements at the Project Identification Stage

**Para 11:** To initiate their project review activities, the Environment Unit liaises with Project Managers and their staff to classify projects stipulated in the Country Program Papers in accordance with their environmental impacts. This leads to the first report – Preliminary Environmental Screening of Loan and Technical Assistance Projects – prepared by the Environment Unit in which potentially significant environmental impacts associated with proposed projects are identified. A request is then made by the Projects Department for budgetary allocation for staff, consultants, and/or travel expenses to cover necessary environmental analysis.

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1 Note: In all other OMs the Environment Categories are reversed, with Category A having the highest significant environmental impact, and category C the least environmental impacts.

## Requirements at the Fact-finding Stage

**Para 13:** Contributing formal and informal environmental reviews at the project fact-finding stage is crucial because this is the most effective way of avoiding conception and design errors which could prove difficult and costly to rectify at a later stage. The Environment Unit comments on project planning and design expressed in the Project Briefs. It also establishes terms of reference for missions and examines Back-to-Office Reports of Fact-Finding Missions (FFMs).

**Para 15:** To support the environmental review function, the Environment Unit deploys specially developed Environmental Guidelines to help staff during project processing to determine whether or not a proposed project is likely to generate significant environmental impacts – adverse or beneficial. These **must**[1] be used by Project staff in preparing an Initial Environmental Examination (IEE) which is submitted to the Environment Unit or included in the BTOR as a means to confirm the nature and extent of the impacts and, where such impacts are considered adverse, to specify the need for more detailed preparatory study.

## Requirements at the Pre-Appraisal/ Appraisal Stage

**Para 16:** ....To ensure an appropriate representation of the environmental dimension, an environmental assessment, requiring a statement on the significant impacts of the project and detailing of measures to be adopted to reduce adverse impacts, **must** be made by Project staff for projects with significant environmental impact included in the Appraisal Report. Environmental assessment includes the identification and prediction of impacts on environmental and natural resources conditions and the quantification, whether possible, of both direct and indirect impacts in monetary terms.

**Para 17:** During appraisal, environmental protection planning and management requirements of projects with significant environmental impacts should be discussed between the Appraisal Mission and the Government. Arrangements or agreements reached on appropriate environmental protection measures should be incorporated as proposed loan covenants in the Memorandum of Understanding (MOU) and should thereafter be incorporated as covenants in the Loan Agreement. ... To assure proper and timely implementation of the environmental covenants, the additional **costs of implementing and monitoring significant environmental protection measures should be included in the project costs** and may either be financed under the loan or the Borrower. If financed by the Borrower, the Appraisal Mission should take care that the financing of the additional costs of significant environmental protection measures has an adequate budgetary source.

### Requirements at the Implementation and Supervision Stage

**Para 20:** Having incorporated environmental control measures in project formulation, it is important that Review Missions ensure that environmental safeguards are implemented efficiently and satisfactorily by the Borrower/Executing Agency during the construction and operation of the project.

**Para 21:** More specifically, Review Missions should examine and evaluate agreed upon operation and maintenance agreements and institutional commitments and loan covenants covering environmental planning and management requirements. ….Further, Back-to-Office Reports (BTORs) of Review Missions should provide explicit details on any major environmental problems or issues revealed during field visits and on proposed remedial measures with an indication of the need for follow-up, especially for environmentally hazardous projects which require continuous review even during operations.

**Para 22:** Towards the end of the year, the Environment Unit prepares a report – Loan Projects Approved During 19xx: Projects Requiring Environmental Review During Implementation. This project provides a list of projects requiring specific environmental treatment during the implementation phase.

### Requirements at the Completion and Post-Evaluation Stage

**Para 23:** After physical completion of the project, a Project Completion Report (PCR) is prepared as a factual, historical record. Project Administration Instructions No.7.6. (Project

1 All emphases added

Completion Report) requires the inclusion of general assessment of the significant environmental impacts (where possible, this should include socio-cultural impacts) generated during project implementation, particularly with reference to those issues considered at the time of project appraisal. If the project included environmental control measures, evaluate their implementation and effectiveness (sic). Post-evaluation reports or Project Performance Audit Reports (PPARs) include a final analysis as to whether the project met proposed environmental requirements and whether any unanticipated effects were induced as a result of project activities. The coverage of matters in PPARs is described in detail in a separate document, Guidelines for Preparations of Project Performance Audit Reports. (December 1986)

# Environmental Considerations in Bank Operations, OM Section, 21 Dec. 1992

SUMMARY

## Environmental Categories

**Para 5:** Projects are screened for their expected environmental impact and assigned to one of the following categories:

**Category A**: Environmental Impact Assessment (EIA) is required.

**Category B**: Although EIA may not be required, an Initial Environmental Examination (IEE) is required.

**Category C**: No EIA or IEE is normally required.

## Selection Criteria for Categorization of Projects Based on Potential Environmental Impacts (Appendix 1 of ADB document, page 14 of OM Section)

**Category A:** Projects in this category may include environmentally sensitive areas, are usually large scale and/or affect large numbers of people. Impact generated by these projects is likely to be comprehensive, broad and diverse, may be irreversible and could lead to significant changes in land use and in the social, physical and biological environment. The project could cause significant emission of harmful waste products, could disrupt or displace large numbers of people in the vicinity of the project, or could considerably increase the exploitation of non-renewable natural resources.

Illustrative examples of projects include forest industries, irrigation, river basin development, large-scale power plants, large-scale industries, surface and underground mining, large water impoundments, new railways/mass transit/roads (near or through sensitive areas), ports and harbors and water supply with impoundments and/or rivers.

**Category B:** Projects in this category may have adverse environmental impacts that are of lesser degree and/or significance than Category A impact. The project would cause some changes in land use or in the social, physical and/or biological environment, but would not normally include large-scale nor environmentally sensitive areas. Mitigation measures for these impacts are more easily prescribed.

Illustrative examples of projects include agro-industries on a small scale or without wet processing, renewable energy, aquaculture and marine culture, rehabilitation, maintenance and upgrading of small scale projects, small-scale industries without toxic/

harmful pollution discharges and water supply projects without impoundments or new river intakes.

**Category C:** By the very nature of these projects, the social, physical and biological environment is not significantly affected.

Illustrative examples of projects include forest research and extension, marine sciences education, geological or mineral surveys, education, family planning, capital market development studies and securities Ltd.

**Requirements at the Preparation Stage**

**Para 6:** Where the Bank finances the preparation of the project (usually the Project Preparatory Technical Assistance (PPTA), there is an opportunity to address the potential environmental impact of the project. Environmental review by the Office of the Environment (OENV) [1] at this stage is **necessary [2]** to deal with environmental aspects of the design which could prove difficult or costly to rectify at a later stage.

**Para 7:** For all ES (environmentally sensitive) projects where the Bank assists in project preparation, at the time of TA fact-finding, project staff should carry out an Initial Environmental Examination (IEE) in accordance with the Environment Guidelines for the sector concerned. (Footnote 5, page 3: Examples of these guidelines are: Environmental Guidelines for Selected Agriculture and Natural Resources Development Projects, 1991; Environmental Guidelines for Selected Industrial and Power Development Projects, 1990; and Environmental Guidelines for Selected Infrastructure Projects, 1990.) If necessary, an environment specialist will assist staff in preparation of the IEE. On the return of the fact-finding mission, the IEE report will be reviewed and the TOR for the special study or EIA if found required by OENV, will be prepared with the active assistance of OENV. The TOR should also include estimates of the budget and time required for the EIA or special studies, specification of the mix of skills required, and a description of the report format required for the preparation of the specified study or EIA and summary EIA (SEIA).

**Para 8:** Project staff should closely consult OENV to ensure the satisfactory preparation of SEIA/EIA. An environment specialist should participate in the PPTA tripartite meeting for ES projects. If OENV attendance in tripartite meetings is not required or practicable, EIA/SEIA reports should be provided earlier to OENV and its comments taken into account in the meetings.

**Requirements at the Loan Fact-Finding Stage**

**Para 9:** Often with the assistance of OENV, the loan fact-finding mission validates the results of the EIA and identifies probable additional environmental concerns not addressed in the IEE and/or EIA study or resulting from changes in project scope. By the end of this stage of the project cycle, the project's potential environmental impacts should have been assessed and the measures to avoid or mitigate the impact **identified for inclusion in the detailed design of the project.**

**Para 10:** The overall environmental assessment and recommendation for further work, if any, should be presented in a section on "Environmental Considerations" in the Project Brief.

**Para 11:** Where Bank assistance is sought after the project preparation stage has been completed (e.g. private sector projects), the quality of the IEE/EIA may not meet Bank requirements. In some cases, the IEE/EIA may be available as part of the feasibility study. Where an IEE/EIA is already available by the borrower, the project staff should ensure that SIEE/SEIA and, where possible, the IEE/EIA are made available in the prescribed format.

**Para 12:** For projects proposed by borrowers, where neither an IEE nor an EIA was prepared at the feasibility study stage, OENV will assist project staff in categorizing the project to ascertain the need for and IEE or EIA, and in drafting the necessary TOR to prepare and IEE or EIA for the project. The recommended EIA or IEE should be prepared by or for the borrower. OENV will review or assist in the finalization of the SIEE or SIEA and project staff should ensure the timely completion of the IEE/SIEE and the EIA/SEIA.

**Para 13:** Once the EIA/IEE is completed and reviewed by OENV, the project staff should request the borrower's permission for the release of the SEIA and EIA, or the SIEE and IEE to the Board of Directors.

**Requirements at the Pre-Appraisal/ Appraisal Stage**

**Para 14:** Environmental aspects are at this stage integrated with technical, institutional, economic and financial aspects of appraisal and the foundation laid for implementing and evaluating the project upon completion. Appraisal mission staff should consult OENV prior to the mission particularly in respect of ES projects. Where necessary, OENV staff should form part of the mission. (Footnote 2, page 5: Mission participation by an environmental specialist is normally required in ES projects where the Bank was not involved in its preparation). The Appraisal Report should incorporate, particularly in ES projects, an assessment prepared by OENV, of the potential environmental impact, mitigation measures recommended and their financial implications, an economic evaluation of such impact, and an environmental monitoring plan. Significant changes in the SEIA previously circulated to the Board should be highlighted in the Appraisal Report.

**Para 15:** Arrangements reached on appropriate environmental management measures should be incorporated as proposed loan covenants in the Memorandum of Understanding (MOU) and should, therefore normally, be incorporated as covenants in the Loan Agreement, or in the Minutes of the Loan Negotiations. This is in addition to the standard environmental provisions in the Bank's loan documents. To ensure proper and timely implementation of the environmental covenants, the additional costs of implementing and monitoring environmental safeguards should be included in the project costs and may either be financed under the loan, or by the borrower, or by other sources. If financed by the borrower, the appraisal mission should ensure that sufficient budgetary resources exist to finance such additional costs.

**Requirements at the Implementation and Supervision Stage**

**Para 18:** *P*osition papers are prepared by OENV from time to time listing projects under implementation and requiring environment review of follow-up actions. A review mission is dispatched periodically to undertake discussion with executing agencies concerned to determine the implementation of environmental mitigation measures earlier agreed upon by the borrower and the Bank. It is the task of the review missions to verify that environmental safeguards built into the project design are satisfactorily implemented by the borrower/executing agency during the construction and operation of the project. For example, for most industrial projects, problems may occur during operations due to insufficient maintenance or non-use of pollution control devices and facilities. For infrastructure projects, such as roads, railways, ports, etc. the critical stages often during construction. Independent third party monitoring of environmental aspects may be considered as part of the project.

**Para 19:** Review missions should examine and evaluate operation and maintenance arrangements, institutional commitments and loan covenants covering environmental planning and management requirements. The status of implementation or mitigatory measures and the results of the monitoring program should also be reviewed. To help accomplish this, project staff are encouraged to consult OENV. Back-to-Office Reports (BTORs) of review missions should provide details on major environmental issues revealed during field visits and on proposed remedial measures with an indication of the nature of follow-up action, especially for environmentally senstive projects.

### Requirements at the Completion and Post-Evaluation Stage

**Para 21:** The Project Completion Report (PCR) should include a general assessment of the significant environmental impact experienced during project implementation, particularly with reference to those issues considered at the time of project appraisal and **evaluation of their implementation and effectiveness if the project included environmental control measures.** Likewise, since a PPTA (Prepatory Project Technical Assistance) may include an EIA, the Technical Assistance Completion Report (TCR) should include an assessment of the experience in conducting the EIA. Post-evaluation reports and Post Project Performance Audit Reports (PPARs) should include a final assessment of the degree to which to project satisfied the proposed environmental requirements, the effectiveness of mitigatory measures and institutional development and whether any unanticipated effects occurred as a result of project activities.

### Information Disclosure

**Para 22:** For projects under environment Category A and selected projects (Footnote 1, page 7: Such as those involving deforestation, loss of biodiversity, settlement/resettlement issues or the processing or handling of toxic and hazardous substances and their disposal) under environmental Category B which OENV believes would benefit from external review (even though a detailed EIA is not warranted), SIEA or SIEE should be submitted by the Projects Department concerned in consultation with the OENV and with the approval of Management, to the Board 120 days before Board consideration of the project. In addition to the summary reports, the full EIA or where appropriate, the IEE should be made available to a member of the Board upon request. The Bank **requires the borrower to take the views of affected groups and local non-government organizations (NGOs) into account in the preparation of environmental assessment reports.** (Footnote 2, page 7: Use of the revised Guidelines for Social Analysis of Development Projects ensures adequate incorporation of social concerns in Bank-funded projects). The SEIA may also be made available by the Bank to locally affected groups and NGOs through the Board of Director of the DMC concerned, except where confidentiality rules would be violated; in such case information is released to those permitted by the classification to receive the document.

**Para 23:** As early as possible, the project staff should request the borrower's permission for the Bank to release the SEIA/EIA or SIEE/IEE to the Board, NGOs and the public. Should the borrower object to the release of the SIEA/EIA or the SIEE/IEE, **Bank staff shall not normally proceed with further work on the project unless authorized but the Vice-President (Projects) and the Vice-President (Operations).**

**Para 24:** *At any time but at least 120 days prior to Board consideration of the project, the SEIA (or SIEE where appropriate) should be submitted to the Board of Directors through the Office of the Secretary.*

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1 Note: The Office of the Environment was converted to the Environment Division of the Regional and Sustainable Development Department under the 2001 Reorganization.
2 All emphases added.

# Environmental Considerations in Bank Operations, OM Section, 20, Jan, 1997

SUMMARY

**Project Screening**

**Para 2:** *Each proposed program or project is scrutinized as to its type; location; the sensitivity, scale and nature and magnitude of its potential environmental impacts; and availability of mitigation measures*.

**Categorization**

**Para 2**
**Category A:** projects expected to have significant adverse environmental impacts

**Category B:** projects judged to have some adverse environmental impacts, but of lesser degree and/or significance

**Category C:** projects unlikely to have adverse environmental impacts.

**Requirement of Environmental Impact Assessment (EIA) or Initial Environmentall Evaluation (IEE):**

**Para 2**
**Category A:** An EIA is required to address significant impacts.

**Category B:** An IEE is required to determine whether or not significant environmental impacts warranting an EIA are likely. If an EIA is not needed, the IEE is regarded as the final environmental assessment report.

**Category C:** No EIA or IEE is required, although environmental implications are still reviewed.

**Components of an IEE**

**Footnote 2:**
A typical EIA report includes the following major elements:
(i) description of project
(ii) description of the environment
(iii) anticipated environmental impacts and mitigation measures
(iv) institutional requirement and environmental monitoring program
(v) findings and recommendations
(vi) conclusion

**Components of an EIA**

**Footnote 2:**
A typical EIA report includes the following major elements:
(i) description of projec
(ii) description of the environment
(iii) anticipated environmental impacts and mitigation measures
(iv) alternatives
(v) economic assessment
(vi) institutional requirement and environmental monitoring program
(vii) public involvement
(viii) conclusion

## Components of an EIA

**Footnote 2:**
A typical EIA report includes the following major elements:
(i) description of project
(ii) description of the environment
(iii) anticipated environmental impacts and mitigation measures
(iv) alternatives
(v) economic assessment
(vi) institutional requirement and environmental monitoring program
(vii) public involvement
(viii) conclusion

## Updating and Re-categorization of Environmental Categories

**Para 3:** Project categorization lists are updated periodically by ENVD as additional information on the projects become available during preparation.

## Information Disclosure

**Para 4:** The SIEE or SEIA prepared by the borrower should be submitted to the Board at least 120 days before it considers the project. In addition to the SIEE or the SEIA, the original IEE or EIA will be made available to Board members upon request. The SIEE or SEIA and the IEE or EIA, if requested may also be made available by the Bank to locally affected groups and non-government organizations (NGOs) through the Director of the DMC concerned on the Board, or through the Bank's Depository Library Program, except where confidentiality rules would be violated. ...These arrangements apply to projects from both the public and the private sector.

## Requirements for Private Sector Loan

**Para 12:** Because private sector entities and implementing institutions are a diverse group and their environmental capabilities range widely, the Bank adopts a flexible procedure in dealing with private sector loans. **However, the Bank's substantive requirements for environmental aspects of private sector loans are similar to those for public sector loans.**

## The Borrower's Responsibility

**Para 14:** Government, as well as Bank environmental requirements must be met.

**Para 14 (b):** Additional investigations will be done during detailed design, with environmental impact costs incorporated in the total project cost, but only after the environmental acceptability of the project has been confirmed. For example where a waste water treatment plant is required in an industrial project, the type of waste treatment plant, the size of the treatment units, the monitoring program, and total costs should be included in the IEE. The design of the waste treatment plant should be prepared during the detailed stage.

## Clearance

**Para 14 (iv):** The DMC's government should clear the IEE or EIA before the SIEE or SEIA is submitted to the Board, or at the latest before the project is implemented. Where government clearance has not been received before the Report and Recommendation of the President (RRP) is circulated to the Board, a loan covenant requiring government clearance of the IEE or the EIA before the project implementation should be included in the agreement for the project.

# Environmental Assessment Requirements, March 1998

SUMMARY

**Environmental Assessment of Project Loans**

**Para 2:** ENVD (Environment Division), after consulting with Projects Department staff, categorizes projects listed in the Country Assistance Plan according to their anticipated environmental impact. Each proposed program or project is scrutinized as to its type; location; the sensitivity, scale, nature and magnitude of its potential environmental impacts and availability of cost-effective mitigation measures. Projects thus screened for their expected environmental impacts are assigned to one of the following three categories:

**Category A**: Projects expected to have significant adverse environmental impacts. An environmental impact is required to address significant impacts.

**Category B**: Projects judged to have some adverse environmental impacts, but of lesser degree and/or significance that those for category A projects. An initial environmental examination (IEE) is required to determine whether or not significant environmental impacts warranting an EIA are likely. If an EIA is not needed, the IEE is regarded as the final environmental assessment report.

**Category C**: Projects unlikely to have an adverse environmental impacts (sic). No EIA or IEE is required.

**Components of Initial Environmental Evaluation**

**Footnote 1, page 2:**
(i) description of the project
(ii) description of the environment
(iii) potential environmental impacts and mitigations measures
(iv) institutional requirement and environmental monitoring program
(v) findings and recommendations
(vi) conclusion

**Updating of Environmental Categories and Re-categorization**

**Para 4:** Project categorization lists are updated periodically by ENVC as additional information on the projects becomes available during preparation.

**Information Disclosure**

**Para 5:** For all projects under environment category A, and for selected projects under environment category B which would benefit from external review (even if a detailed EIA is not warranted), the SIEE or SEIA prepared by the borrower should be submitted to the Board at least 120 days before it considers the project. …The SIEE or SEIA and the IEE or EIA, if requested, may also be made available by the Bank to locally affected groups and non-government organizations (NGOs) through the Bank's Depository Library Program, except where confidentiality rules would be violated.

**Borrower's Responsibilities**

**Para15:** The following are essential in the preparation and review of IEE/SIEE or EIA/SEIA reports.

(i) Government, as well as Bank, environmental requirements must be met.

(ii) If the borrower or borrower's consultant recommends that an EIA should be done, while the Bank's requirement may be to prepare an IEE (which could later lead to an EIA), either of the following will apply:

a) A special study of the environmental issue(s) will be made, and the findings incorporated into the IEE/SIEE.

b) Additional investigations will be done during detailed design, with environmental costs incorporated in the total project cost, but only after the environmental acceptability of the project has been confirmed. For example where a waste treatment plant is required in an industrial project, the type of waste treatment plant, size of the treatment units, the monitoring program, and total costs, should be included in the IEE. The design of the waste treatment plant should be prepared during the detailed design stage. Before the Bank decides to fund the project, the borrower must assure that the additional investigations to be done at detailed design stage will not change the financial and economic viability of the project.

(iii) Whenever possible, Bank staff should request the borrower to follow the Bank-prescribed environmental assessment format.

(iv) In preparing the environmental assessment reports, the Bank will encourage the borrower to take into account the views of affected groups including NGOs.

(vii) The DMC's government should clear the IEE or EIA before the SIEE or SEIA is submitted to the Board, or at the latest, before the project is implemented. Where government clearance has no been received before the Report and Recommendations of the President (RRP) is circulated to the Board, a loan covenant requiring government clearance of the IEE or EIA before project implementation should be included in the agreement for the project.

**Typical Format for IEE and SIEE Report[1] (Appendix 1 and 2)**

(i) Introduction
(ii) Description of the project
(iii) Description of the environment
(iv) Screening of potential environmental impacts and mitigation measures
(v) Institutional requirements and environmental monitoring plan
(vi) Findings and recommendations
(vii) Conclusions

**Typical Format for SIEE Report[5] (Appendix 3 and 4))**

(i) Introduction
(ii) Description of the project
(iii) Description of the environment
(iv) Alternatives
(v) Anticipated environmental impacts and mitigation measures
(vi) Economic assessment
(vii) Institutional requirements and environmental monitoring plan
(viii) Public Involvement
(ix) Conclusions

1 Formats for IEEs, SIEE, EIAs, and SIEAs may be adjusted as necessary to suit the project type and other requirements

# Environment Policy, November 2002

## SUMMARY

**Paragraphs 23 –** 70 and paragraphs 71 – 83 of the policy are the ones that are implementable, i.e. they fall under ADB's Inspection Function and the ADB can be held accountable in case of violation of the provisions in these paragraphs. The content of the paragraphs is reproduced and or summarized in the Operations Manual Section 20 issued on 28 February 2003 for the latest guidelines, so please refer to the following summary of this Operations Manual Section.

# Environmental Considerations in ADB Operations, February 28, 2003

SUMMARY

**Operational Resources (OP)**

**General Requirements for Environmental Assessment**

ADB requires environmental assessment of all loans and covers all project components whether financed by ADB, co-financiers, or the Government. (para 4 )

**1. Classification (para 6)**
Projects will be screened for their expected environmental impact and are assigned to one of the following four categories. Category is determined by the most environmentally sensitive component, including direct and indirect impacts.

***Category A***: Projects with potential to have significant adverse environmental impacts.

***Category B***: Projects judged to have some adverse environmental impacts, but of lesser degree or significance than those for category A projects.

***Category C***: Projects unlikely to have adverse environmental impacts.

***Category FI***: Projects that involve a credit line through a financial intermediary or an equity investment in a financial intermediary.

Classification is an on-going process, and the environment category can be changed at any time with the approval of the of the chief compliance officer as more detailed information becomes available and project processing proceeds (para 7).

**2. Environmental Assessment Reports**
EIA reports and summary are required for category A projects; IEE reports and summary for category B projects. A typical EIA report includes the following major elements:
(i) description of the project,
(ii) description of the environment,
(iii) anticipated environmental impacts and mitigation measures,
(iv) alternatives,
(v) economic assessment,
(vi) an environmental management plan,
(vii) public consultation and disclosure and
(viii) conclusion.

A typical IEE report includes the following major elements:
(i) description of the project,
(ii) description of the environment,
(iii) potential environmental impacts and mitigation measures,
(iv) description of institutional require ments and environmental moni toring program,
(v) public consultation and disclosure,

(vi) findings and recommendations, (vii)conclusion.

Reports should include a matrix describing the environmental consequences and mitigation measures. For sector loans, report will include a description of the institutional arrangements and process to be followed for environmental assessment of subprojects to be approved during implementation. For FI projects, the report will include a description of the environmental management system to be applied by the financial intermediary (para 8).

**3. Public Consultation and Information Disclosure**

*Public Consultation* For category A and B projects, consultation with groups affected by the proposed project and local NGOs is required. For category A projects, the borrower will ensure that consultation will take place at least twice: (i) once during the early stages of EIA field work; and (ii) once when the draft EIA report is available, and prior to loan appraisal by ADB. The public consultation process needs to be described in the EIA and SEIA reports (para 9).

*Information Disclosure*. Environmental assessment reports for ADB projects are accessible to interested parties and the general public through the depository library system and on the ADB web site, following the "120 day rule", which requires that the SEIA, or on the case of category B projects, the SIEE is available at least 120 days before the project goes to ADB Board of Directors for approval. (Para 10)

**Specific Requirements by Lending Modality**

**1. Project Loans**

Project loans follow the general requirements for environmental assessment. (Para 11)

**2. Environmental Assessment of Program Loans**

A matrix of potential environmental impacts of each policy action, together with appropriate mitigation measures, will be prepared for each program loan, with a qualitative indication of the likely order of magnitude of each impact and brief reasons for the judgment. (Para 12)

**3. Environmental Assessment of Sector Loans**

Feasibility studies are prepared for such subprojects during the formulation of the sector loan, and provide the executing agency with some indication of and experience with how feasibility studies, including EIAs or IEEs, should be prepared and cost and benefit parameters established. For environmentally sensitive sample subprojects, the SEIA or SIEE will be submitted and should describe the institutional arrangements and process that will be followed for environmental assessment of subprojects after the sector loan is approved. (Para 13-16)

**4. Environmental Assessment of Sector Development Program Loans**

For the sector development loan, refer to EA of Sector Loans, for the policy-based loan, refer to EA of Program Loans. (Para 17)

**5. Environmental Assessment of Financial Intermediation Loans and Equity Investments**

An FI project EA report includes a description of the environmental management system to be applied. However, financial intermediation projects, generally microfinance projects, where all subprojects will result in insignificant environmental impacts, will be treated as category C and are not required to adopt an environmental management system or environmental assessment report. (Para 18- 20)

**6. Environmental Assessment of Private Sector Operations**

For loans and equity investments with specific identified projects or subprojects, the general environmental assessment requirements will be applied. For indirect assistance, environmental requirements for category FI loans and equity investments will apply. (Para 21)

**Co-financing**

Project components that use co-financing in any form must have environmental assessments carried out in accordance with the requirements set forth in this Operations Manual. (Para 22)

**Environmentally Responsible Procurement**

Borrowers and executing agencies should, wherever possible, ensure that the goods and services procured under ADB-financed projects have been produced in a responsible manner with a view to resource efficiency, waste minimization and environmental considerations. (Para 22)

**Implementation, and Monitoring and Evaluation**

*Environmental Management Plans and Loan Covenants*. Category A and environmentally sensitive category B projects require the development of environmental management plans (EMPs). For these projects, ADB requires that (i) borrowers and executing agencies submit semiannual reports on implementation of EMPs, and this requirement is reflected in the loan agreements; and (ii) review missions from ADB regional departments conduct an annual review of environmental aspects of the project. (Para 25)

**Project Completion and Performance Audit Reports.**
This report will include (i) a concise history of the environmental aspects of the project to completion, including an account of the performance of environmental indicators during project implementation; (ii) an evaluation of the implementation of the EMP and environmental loan covenants; and (iii) an assessment of the performance of the executing agency. (Para 26)

**Changes in Scope**
A major change is one that materially alters, or fundamentally affects the project's purpose (immediate objectives), components, costs, benefits, procurement, or other implementation arrangements as approved by the Board. All proposed changes that are classified as category A will require an EIA and those classified as B will require an IEE. (Para 27)

**Uncertainties in Locations and Alignments of Infrastructure**
Where uncertainty exists about specific locations or alignments of major infrastructure or project facilities at the time of Board approval, the EIA or IEE will include an EMP that presents full details on the agreed process to be followed for environmental assessment, including any special studies of environmental issues and specification of environmental mitigation measures during project implementation. (Para 28)

**Unanticipated Environmental Impacts**
Where unanticipated environmental impacts become apparent during project implementation or after project completion, ADB will assist executing agencies and other relevant government authorities to assess the significance of the impacts, evaluate the options, and estimate the costs of mitigation. ADB will also help DMCs find the resources needed to mitigate the damage. If unanticipated impacts are identified after a loan is closed, ADB will encourage, and assist as required, the borrower to plan and implement remedial measures. (Para 29)

**Borrower's Responsibilities in Preparing and Reviewing EIAs, SEIAs, IEEs, and SIEEs**
All government and ADB environmental requirements must be met. ADB staff will request the borrower to follow the ADB-prescribed environmental assessment format wherever possible. (para 30)

# Environmental Assessment Guidelines, 2003

SUMMARY

## Determination Of The Environment Category

### The Process

All ADB projects are assigned one of four categories (A, B, C, or FI) for environmental assessment. The category is based on the project's potential for environmental impact. The process of determining the environment category is facilitated by preparation of rapid environmental assessment (REA) checklists. REA checklists are available for different sectors including: Agro Industrial Projects, Airports, Chemical-based Industrial Projects, Fisheries, Forestry, Governance and Finance, Hydropower, Irrigation, Petrochemical Industrial Projects, Ports and Harbors, Power Transmission, Roads and Highways, Sewage Treatment, Solid Waste Management, Thermal Power Plants, Urban Development, and Water Supply. See Appendix of of ADB's Environment Assessment Guidelines (http://www.adb.org/documents/Guidelines/Environmental_Assessment/default.asp) The REA is to be attached to the environmental categorization form that is to be prepared and submitted to the CCO of the Regional and Sustainable Development Department. (para 126)

### The Borrower's Responsibility for EA Reporting

The Borrower prepares EIA reports for category A projects and IEE reports for category B projects. The Borrower also prepares the summary EIA (SEIA) or summary IEE (SIEE) reports highlighting the main findings of the IEE or EIA. The format of the environmental assessment report for program loans is flexible, but includes a matrix describing the environmental consequences and mitigation measures for the policy actions underpinning the program loan. For sector loans, the content of the environmental assessment report will include a description of the institutional arrangements and process to be followed for environmental assessment of subprojects to be approved during implementation. For projects that are classified as category FI, the environmental assessment report will include a description of the environmental management system to be applied by the financial intermediary. The results described in environmental assessment reports, including environmental management plans, should be reflected in the Report and Recommendations of the President (RRP). (para 29)

**Public Consultation**

In cases where the environmental assessment report for a project has been completed prior to ADB involvement in that project, ADB will review the public consultation and disclosure carried out by the project sponsor during and after preparation of the environmental assessment report. If necessary, ADB and the project sponsor should then agree on a supplemental public consultation and disclosure program to meet the requirements of OM 20 and address any deficiencies identified by ADB. If the project is classified as category A, and no consultation whatsoever has been carried out, then the sponsor should agree to (i) consult with stakeholders on the draft EIA and incorporate their views in a revised EIA; and (ii) consult stakeholders on the revised EIA, and how it addresses their concerns. (para 31)

**Availability of EA Reports to the Public**

The SIEE and SEIA reports are required to be circulated worldwide, through the depository library system and on the ADB web site. The full EIA or IEE reports are also made available to interested parties on request. ADB's "120 day rule" requires that the SEIA (for all public and private sector category A projects) or the SIEE (for category B projects that are deemed environmentally sensitive) is available to the general public at least 120 days before ADB's Board of Directors considers the loan, or in relevant cases, before approval of significant changes in project scope or subprojects. To facilitate the required consultations with project-affected groups and local nongovernment organizations, the Borrower will provide information on the project's environmental issues in a form and language(s) accessible to those being consulted. (para 32)

**Process of Environmental Assessment and Review for Project Loans**

**For Category A**

**Terms of Reference for the EIA**

The TOR defines the scope of the environmental assessment, the responsibilities or obligations of the environmental assessment team, and the

expected outputs, and may include:
• background of the project;
• objectives, scope, and size of the project;
• delineation of the area(s) to be covered by the environmental assessment;
• brief description of the potential environmental problems and possible alternatives to address the environmental problems that the consultants will be required to investigate;
• description of the expected outputs, including information to be collected, analysis of environmental impacts of alternative project sites and designs, mitigation measures, monitoring programs, an EMP, and action plan for implementing the EMP;
• estimates of inputs required for the environmental assessment;
• institutional involvement/strengthening;
• public consultation and information disclosure action plan; and
• arrangements for implementing the environmental assessment. (para 39)

**Individual Steps**

The following are the steps to be taken for the preparation of the TOR: (para 38, 40)

1. Using the findings of the mission, the draft TOR is to be discussed and agreed upon with the national environmental agency.
2. ADB, the executing agency, and the national environmental agency then agree on the level of effort and TOR for the environmental assessment.
3. The TOR for EIA is incorporated into the draft PPTA paper.
4. RSES reviews and provides comments, with particular emphasis on the TOR.
5. After the TA paper is approved and early in the field work of the PPTA, the environment assessment team is to disclose the TOR to the affected people and local NGOs to seek additional views and concerns to be included as part of the EIA study.
6. The final TOR for the EIA should be discussed and agreed upon by the executing agency and the national environmental agency.

During the project design, the EIA should be undertaken as part of the feasibility study. Representatives of the executing agency should participate as members of the environmental assessment team. In general, the environmental assessment team will:
(i) coordinate with government concerned and environment agencies;
(ii) prepare a project description, define the study area, collect environmental baseline data, prepare site maps, and other relevant maps

for the study area;
(iii) identify potential environmental impacts based on the information obtained on the proposed project and the baseline environmental conditions of the study area;
(iv) identify alternatives and analyze the environmental impacts of each alternative and propose measure to avoid or prevent impacts;
(v) estimate the magnitudes of environmental impacts and assess the significance of the impacts including consideration of whether the impacts are (i) acceptable, (ii) acceptable after mitigation measures are applied, or (iii) are unacceptable – because of significant adverse impacts to people and their livelihoods, or because there will be an irreversible impact on the ecosystem.
(vi) recommend environmental mitigation measures and estimate the mitigation costs;
(vii) prepare an EMP to be implemented by the executing agency during project implementation, operation and abandonment;
(viii) prepare the EIA and SEIA reports;
(ix) conduct public consultation and ensure information disclosure; and develop plans for public consultation and information disclosure during project implementation;
(x) assess the executing agency's capacity to undertake an environmental review of the environmental assessment report and EMP recommendations, and recommend measures for capacity building, if necessary; and
(xi) ensure that the proposed project, with EIA and EMP implementation, conforms to the Government and ADB environmental assessment requirements, policies and regulations. (para 41)

The following are the guidelines for the review of the draft EIA and SEIA reports:
1. The draft EIA, as well as SEIA, is to be reviewed by ADB RD (Regional Department) sector division and then RSES (Environment and Social Safeguard Division) and the executing agency.
2. The Borrower should provide the SEIA conclusions to the project-affected people and local NGOs to solicit their comments.
3. The Borrower should also solicit the comments of the national environmental agency on the draft environmental assessment documents.
4. Comments are to be incorporated in the final environmental assessment reports together with those of ADB, the project executing agency, the affected groups and local NGOs. (para 42)

Prior to approval of a loan for a project having environmental considerations, the following steps have *to be taken: (para 43-45)*

1. During the early stages of loan processing, loan fact finding is undertaken to: evaluate the soundness of the proposed project; identify unresolved issues; identify loan covenants; revise the project design and implementation plan, as appropriate; prepare an appropriate financing plan and determine a suitable ADB loan amount; and reach initial agreement with the Borrower on various aspects of project implementation. At this stage, the EIA results and recommendations including mitigation costs and EMP costs should be available and incorporated into the proposed project design.
2. A loan fact-finding Mission assesses the institutional capability of the executing agency and environmental agency and designs appropriate implementation and institutional arrangements for the environmental monitoring program. Consistent with the specific environmental requirements of the DMC, the national environmental agency clears the EIA and SEIA reports. Agreement is then reached with the executing agency on the implementation of the EMP.
3. The environment specialist in the RD reviews the SEIA report.
4. From the safeguard compliance point of view, RSES reviews the report to ensure that the environmental assessment recommendations comply with ADB's environmental assessment requirements.
5. The project executing agency and the national environmental protection agency make a final review the EIA and EIA reports.
6. The executing agency then officially submits the EIA and SEIA reports to ADB for submission to the Board of Directors or for incorporation in the RRP.
7. The SEIA report is edited by the Economics Editor prior to circulation to the Board of Directors and the public. The cover memo, attached to the report, highlights that the report is a Borrower's document and that it has not been formally reviewed nor approved by ADB.

**Environmental Review of the RRP**

ADB's final evaluation of the environmental aspects of the project including loan covenants and assurances are documented in the environment section of the RRP. An economic evaluation of environmental impacts is also to be incorporated in the RRP. The RRP should document any prominent recommendations of the EMP, environmental loan covenants, and other special features.

If any changes to the project that have been made after SEIA circulation to the Board, an assessment of any environmental impacts associated with these changes should be included. (para 48)

**Issuance of the Safeguard Policy** Compliance Memo before the MRM

Compliance with ADB's safeguard policies is assessed based on the review by RSES and the Issues Matrix prepared by the Mission leader. Immediately prior to the MRM (Management Review Mission) the Chief Compliance Officer (CCO) issues the Safeguard Policy Compliance (SPC) Memorandum. The SPC memorandum advises Management either that (i) the project in compliance, or (ii) certain actions are necessary to ensure compliance prior to the second MRM.

During loan appraisal, if undertaken, the Mission makes a final evaluation of the proposed project, refines the project design, addresses issues raised at the MRM, resolves pending issues with the project executing agency and the government, and finalizes implementation arrangements. At this stage, environmental aspects are to be integrated with the technical, institutional, economic, and financial aspects of the project, and the foundation is laid for implementing and evaluating the project.

The Environment Specialist in the RD is to confirm final agreement on the implementation of the EMP executing agency and the national environmental agency. (para 50-51)

**Environmental Loan Covenants**

At this stage, loan covenants are to be finalized and included in the Loan Agreement to ensure efficient and effective EMP implementation by the agencies concerned, including the executing and environmental agencies. The environmental covenants should cover the following:

- key environmental mitigation measures and monitoring requirements;
- institutional arrangements and responsibilities for EMP implementation;
- requirements for evaluating the EMP's effectiveness, and reporting to ADB; and
- special requirements, as necessary, for public consultation and environmentally responsible procurement.

During the Loan Appraisal, the Mission should confirm clearance of the environmental assessment by the national environmental agency and the final agreement reached with the project executing agency and the national environmental agency on the implementation of the EMP. At this stage, the project team leader assisted by the RD environment specialist should translate the relevant provisions of the EMP into the Project Administration Memorandum. Before the second MRM or Staff Review Committee

(SRC) meeting, RSES reviews the revised RRP, and where warranted, issues a second Safeguard Policy Compliance (SPC) memo to advise Management of environmental safeguard risks posed by the project. For fully compliant projects, RSES reaffirms its satisfaction of the project's environmental safeguards in a memo to the Mission leader. (para 52 – 54)

## Category B

### Terms of Reference for the EIA

In general, the scope of the IEE is more limited and the level of effort to prepare the IEE is significantly less than for an EIA. Specifically, there is limited consideration of alternatives and a description of "institutional arrangements and environmental monitoring plan" replaces the requirement for preparation of an EMP. (para 56)

### Individual Steps

The IEE should be conducted as part of feasibility study. While scope of the IEE TOR is the more limited and the level of effort needed smaller, the environmental assessment team conducts many of same tasks and analysis as required for an EIA (see Appendix 3). The IEE must come to a conclusion as to "whether or not significant environmental impacts warranting an EIA are likely." If the EIA is warranted, the IEE must provide a recommendation on scope and TOR for the EIA. (para 57)

The following are the guidelines for the review of the draft IEE and SIEE reports:

1. The draft IEE, as well as SIEE, which highlights the main findings of the IEE, is reviewed by ADB (RD sector division and then RSES) and the executing agency.
2. Depending on the scope of public consultation activities, additional comments may be sought from the project affected people and other stakeholders. All comments are to be incorporated into the final documents.
3. The project executing agency and the national environmental protection agency make a final review the IEE and SIEE reports.
4. The executing agency then officially submits the reports to ADB for submission to the Board of Directors or for incorporation in the RRP, as required.
5. The SIEE report is edited by the Economics Editor prior to circulation to the Board of Directors and the public. The cover memo, attached to the report, highlights that the report is a Borrower's document and that it has not been formally re-

viewed nor approved by ADB. (para 58)

**Environmental Review of the RRP**

As with category A projects, ADB's final evaluation of the environmental aspects of the project, loan covenants and assurances are included, and special features of the project are documented in the RRP. Unless it is has been circulated, the SIEE is normally attached as a core appendix of the RRP. From this stage onward, the environmental assessment steps (review by RSES, issuance of the SPC Memo, loan covenants) are the same as for Category A projects. (para 60-61)

**Environmental Assessment and Review of Program Loans**

Please refer to paragraphs 65 – 66 of the original text

**Environmental Assessment and Review of Sector Loans**

Please refer to paragraphs 67 – 76

**Environmental Assessment and Review of Sector Development Program Loans**

Please refer to paragraphs 77

**Environmental Assessment and Review for Emergency or Rehabilitation Assistance Loans**

Please refer to paragraphs 78 – 80

**Environmental Assessment and Review of Financial Intermediation Loans and Equity Investments**

Please refer to paragraphs 81 – 87

**Private Sector Operations Department Investments**

ADB's environmental assessment requirements for private sector investments include the following:

1. Direct loans and equity investments are required to follow the project loan requirements.
2. Category F1 projects are required to follow the requirements for financial intermediation loans and equity investments.
3. Partial credit and political (partial) risk guarantees can only be provided to companies that have complied with government environmental regulations and do not have any environmental liabilities (e.g. site contamination, pollution or encroachment on protected areas)
4. Guarantees for specific projects are required to follow the project loan requirements.
5. Guarantees that enable a financial or other institution to establish a credit line or otherwise on lend are to follow the requirements for financial intermediation loans and equity investments

However, it should be noted that PSOD operations are not supported by PPTAs, and various approaches are used to assess the technical, economic, social and environmental aspects of the project. (para 88 and Table 7)

### Cofinancing

ADB's Environment Policy covers all components of projects, whether financed by ADB, governments, or cofinanciers. Cofinancing comprises financing from official sources (e.g., official loans and grant cofinancing) as well as commercial sources (e.g., commercial banks, insurance companies, institutional investors, and export credit agencies).

Commercial cofinancing may be provided with or without an ADB credit enhancement instrument (i.e., a partial credit guarantee, a political risk guarantee, or the complementary financing scheme). Project components that use cofinancing in any form must have environmental assessments carried out in accordance with the requirements set forth in OM 20. (para 90)

### Implementation and Supervision

Project implementation commences after the loan is declared effective, and includes the: preparation of detailed engineering designs and tender documents, construction of project facilities or physical development of project sites, and testing and commissioning of project facilities and procurement materials. At the appraisal stage, it is necessary to ensure that the EMP and other environmental loan covenants are incorporated into the Project Administration Memorandum (PAM). (para 91)

For category A and category B projects deemed environmentally sensitive, the subject of compliance with environmental covenants should be adequately covered and checked during the Inception Mission. At the same time, a tripartite meeting involving ADB, and the executing and environmental agencies may be convened to clarify and confirm the EMP and related relevant implementation arrangements, particularly the funding, capacity of institutions and third party organizations, and need to include environmental mitigation measures in the tender documents to fully implement EMP compliance. (para 92)

The project administration memorandum, detailed engineering designs, and tender documents should incorporate the environmental assessment reports' findings and recommendations. Likewise, the cost implications and responsibilities for environmental management should be identified early in the project cycle. Environmental management during the detailed design phase can then focus on ensuring that:

(i) environmental assessment, and technical planning and design groups work closely to reconfirm the

EMP in light of any project design changes, and revise the EMP, as necessary, for environmental compliance monitoring;

(ii) contractor's covenants for good construction practices are clearly stipulated in the construction contracts to minimize environmental impacts, with appropriate penalties for non-compliance; and

(iii) construction contracts include clauses on adequately qualified personnel, equipment, and organization to ensure that the contractors implement good engineering practices and use environment-friendly products. (para 93)

During the physical development period, the thrust of environmental management by the executing agency is on strict control and monitoring of contractors' compliance with good environmental practices and measures stipulated in the contracts. The EMP's effectiveness is also monitored and evaluated, and deficiencies detected are corrected in a timely manner. Failure of contractors to comply with environmental clauses of the contract should be reported to ADB through project progress reports. These reports will include information on the contractors' environmental performance. (para 94)

During project review missions, the executing agency's progress and performance in EMP implementation are reviewed, and an independent review panel is created to monitor environmental compliance, if necessary. The midterm review mission includes a major review of project environmental performance. Back-to-office reports of review missions should provide details on any major environmental issue discovered during field visits and on proposed remedial measures, with an action plan for follow-up measures in addition to assessment on the implementation of EMP and environmental loan covenants. (para 95)

A strong partnership between ADB and the environmental agency in overseeing project environmental management is necessary to strengthen compliance. Third party monitoring may also be employed to ensure compliance. Cost implications, responsibilities and reporting mechanism must be identified early in the project cycle to support such monitoring mechanism. During project operation, the thrust of environmental management is on rational management of environmental resource utilization to ensure their sustainability. Thus, the focus of environmental management will be on (i) managing the process operation to avoid, abate, and minimize pollution and wastes; (ii) ensuring efficient operation of pollution control facilities and procedures; and (iii) implementing environmental protection measures. (para 91-96)

### Completion and Post-Evaluation

To ensure proper documentation of the actual environmental impacts or the project and the success of the EMP, a project/program completion report (PCR) is prepared by the responsible RD. The PCR is to include: (i) a concise history of the environmental aspects of the project to completion, (ii) an evaluation of the implementation of the EMP and environmental loan covenants, and (iii) an assessment of the performance of the executing agency.

The environmental section of the PCR is to be based on the facts documented in Borrower's/executing agencies' semiannual reports and annual environmental review missions' back to office reports. The PCR should contain the necessary information to fulfill the benefits monitoring and evaluation (BME) requirements of the Project Performance Management System (OM 22). (para 97)

To foster organizational learning and project improvement, project/program performance audit reports are prepared for selected projects. These independent evaluations by ADB's Operations Evaluation Department include an analysis of the effectiveness of the EMP in achieving intended objectives. These reports also assess the PCR's environmental reporting in terms of its adequacy and integrity and focus on specific issues relating to the environmental aspects as documented in the PCR. Thus it is important that executing agencies be required to continue to submit annual or semiannual project operation performance reports to ADB from project completion to post-evaluation. The reports should include adequate details on the environmental performance and associated costs and human resources capacity. (para 98)

### Categorization based on the Most Environmentally Sensitive Component (para 128)

Categorization is to be based on the most environmentally sensitive component. This means that if one part of the project is with potential for significant adverse environmental impacts, then the project is to be classified as Category A regardless of the potential environmental impact of other aspects of the project.

### Confirmation of Categorization (para 129)

Projects are classified during an initial screening of environmental impacts, but classification is subject to change as more information becomes available and preparation proceeds.

## Basic Environmental Assessment Requirements (para 130-133 and Table 2, page 11-12)

| Category A | Category B |
|---|---|
| ✓ EIA to be prepared (recommended format acc. to Appendix 2)<br>✓ Environmental Management Plan and budget to be prepared<br>✓ public consultation at least twice during the EIA process<br>✓ environmental management plan (including mitigating measures and environmental monitoring requirements)<br>✓ SEIA to be disclosed to public and circulated to Board at least 120 days before Board approval<br>✓ local language translation of SEIA<br>✓ EIA available to public on request | ✓ IEE (EIA, when necessary) to be prepared acc. to Appendix 3/2<br>✓ public consultation<br>✓ SIEE,to be disclosed to public and circulated to Board at least 120 days before Board approval<br>✓ IEE available to public on request<br>✓ If it is not circulated, the SIEE is normally to be attached as a core appendix to the RRP |
| **Category C** | **Category F1** |
| ✓ review of environmental implications of project<br>✓ mitigation measures (if needed) in project design<br>✓ environmental implications to be summarized in the RRP | ✓ environmental assessment of financial intermediation and equity investments<br>✓ due diligence assessment of financial intermediary and its environmental management system |

## Classification Criteria

### 1. Category A (para 134-137)

A proposed project is classified as Category A if it is likely to have significant adverse environmental impacts that are sensitive, diverse or unprecedented, and affect an area broader than the sites or facilities subject to physical works. The following suggest a category A classification:

| Locations | Potential Environmental Impacts |
|---|---|
| ✓ in or near sensitive and valuable ecosystems<br>✓ in or near areas with cultural heritage sites<br>✓ densely populated areas where resettlement may be required or pollution impacts and other disturbances may be significant<br>✓ regions subject to heavy development activities or where there are conflicts in natural resource allocation<br>✓ watercourses, aquifer recharge areas, or reservoir catchments used for potable water supply<br>✓ and or water containing valuable resources | ✓ permanent conversion of potentially productive or valuable resources<br>✓ destruction of natural habitat and loss of biodiversity or environmental services provided by a natural system<br>✓ risk to human health and safety<br>✓ displacement of large numbers of people or businesses<br>✓ absence of effective mitigation or compensation measures |
| **Environmentally sensitive issues** | |
| ✓ disturbance to tropical forests<br>✓ conversion of wastelands<br>✓ potential adverse effects on protected areas/sites<br>✓ toxic waste disposal | ✓ encroachment on lands or rights of indigenous peoples or other vulnerable minorities<br>✓ involuntary resettlement<br>✓ impacts on international waterways and other transboundary issues |

**Measuring the Magnitude of Impacts**

The following criteria may be used to measure the magnitude of environmental impact: (para 138)

i) absolute amount of resource or ecosystem affected;
ii) amount affected relative to existing stock of the resource or ecosystem;
iii) intensity of impact;
iv) timing and duration of impact; and
v) probability of occurrence for a specific impact

**2. Category B**

A project is classified as Category B if its potential adverse environmental impacts on human populations or environmentally important areas, (e.g., wetlands, forests, grasslands, and other natural habitats) are less adverse than those of Category A projects. These impacts are site-specific, and few are irreversible. In most cases, mitigation measures can be designed more readily than for Category A projects. (para 139)

**3. Category C**

A project is classified as Category C if it is likely to have minimal or no adverse environmental impacts. (para 140)

**4. Category FI**

A project is classified FI if it involves a credit line or an equity investment in a financial intermediary. Projects that involve small loans, generally microfinance projects, where all subprojects will result in insignificant environmental impacts will be treated as category C, and do not have a requirement for the adoption of an EMS or environmental assessment report. (para 141)

**Sample Environmental Categorizations (para 142)**

The sample categorizations for project types are provided in the Table 10.

| **Category A:** | **Category B:** |
|---|---|
| • Dams and reservoirs<br>• Forestry and production projects (large-scale)<br>• Industrial plants (large-scale)<br>• Irrigation, drainage and flood control (large-scale)<br>• Mineral development (oil and gas)<br>• Port and harbor development<br>• Thermal and hydropower development | • Agro-industries<br>• Rural electrification<br>• Electrical transmission<br>• Urban water supply and sanitation<br>• Irrigation and drainage (small-scale)<br>• Watershed projects<br>• Renewable energy |

| Category C | Category F1 |
|---|---|
| • Forestry research and extension<br>• Rural health services<br>• Marine research<br>• Family planning program<br>• Microfinance projects likely to have minimal or no adverse impacts | • Credit lines<br>• Equity Investments |

**Reclassification of a Project (para 143)**

It is possible for a project to be reclassified as new information becomes available or as modifications are introduced in the project design. Upwards reclassification (e.g. B to A; or C to B) carries some costs. As a result, additional resources will be required for environmental studies, public consultations, and report preparation. Moreover, the schedule for project preparation may be delayed if a decision to conduct more environmental assessment activities is taken during the latter stages of the PPTA.

**Environmental Management Plan**

**Introduction**
ADB requires that an EMP be included as part of the EIAs and IEEs (for Category B projects deemed environmentally sensitive). Since it is often not possible or practical to provide the details required for an effective EMP prior to the first MRM, a revised EMP must be prepared at the beginning of the implementation stage. (para 145)

**Institutional Arrangements**
Environmental Management Office
Where relevant, a project environmental management office (EMO) should be established to make sure that monitoring programs are carried out as agreed, and reporting is completed in compliance with the ADB requirements. To ensure long-term institutional capacity building, it is recommended that the staff of the EMO be drawn from the permanent full-time staff of the executing agency. (para 146)

**Contents of the EMP Prior to the MRM (para 149-155)**
The minimum contents of an EMP are described below:
1. Summary of Impacts
• summarizes the predicted adverse environmental and social impacts that must be mitigated.

2. Description of Proposed Mitigation Measures

• sets out clear and achievable targets, and quantitative indicators of the level of mitigation required. Each measure should be briefly described in relation to the impact and conditions under which it is required.

3. Description of Monitoring Programs and Parameters

• outlines the specific monitoring protocols, parameters, and expected frequencies.

• describes environmental performance indicators which provide linkages between impacts and mitigation measures identified in the EIA/IEE report.

4. Public Consultation Activities

• describes a plan for public consultation activities during the finalization and implementation of the EMP including (i) notification of local communities when project activities are going to take place; (ii) disclosure of the results of monitoring programs to local communities and other stakeholders; and (iii) provision for independent third party monitoring, where necessary.

5. Description of the Responsibilities for Mitigation and Monitoring Requirements

• defines and specifies the responsibilities of organizations and individuals that will be responsible for undertaking the mitigating measures and monitoring, and the arrangements for information flow and coordination between agencies.

6. Preliminary Cost Estimates

• contains preliminary cost estimates for mitigation measures and monitoring.

**Additional Contents of the EMP to include in Revised EMP during Implementation (para 156-161)**

During implementation, the EMP should be revised once construction and operational activities are well defined. Additional information should be provided on the following:

7. Description of the Responsibilities for Reporting and Review

• specifies institutional roles in the preparation, submission, receipt, review, and approval of reports

• details an implementation schedule for mitigation measures and monitoring and progress reports

8. Work Plan

• specifies a staffing chart for the EMO and other related work, proposed schedules of participation by the project team members, and activities and inputs of related government agencies.

• details responsibilities and requirements of contractors.

9. Procurement Plan

• includes (i) the plan for procurement of the specific items and equipment required to implement the mitigation and monitoring programs in the EMP, and (ii) a description of procedures to ensure consistency of all project procurement with the principles and practices of environmentally responsible procurement of goods and services.

10. Cost Estimates
- provides all the detailed costs of implementation
- includes a budgeting plan showing how those costs are to be met.

11. Project Feedback and Adjustment
- outlines the procedures and feedback mechanisms that will be used to modify and reshape the project in the light of monitoring results.

The contents of a complete EMP should include the following:

1. Summary of Potential Impacts
2. Description of Planned Mitigation Measures
3. Description of Planned Environmental Monitoring
4. Description of Planned Public Consultation Process
5. Description of the Responsibilities and Authorities for Implementation of Mitigation Measures and Monitoring Requirements
6. Description of Responsibilities for Reporting and Review
7. Work Plan including staffing chart, proposed schedules of participation by various members of the project team, and activities and inputs of various government agencies
8. Environmental Responsible Procurement Plan
9. Detailed Cost Estimates
10. Mechanisms for feedback and adjustment

**Sample Forms**

The following matrices should be included in the EMP document. (para 162)

**Table 11: Template for summarizing Mitigation Measures**

| Project Stage | Project Activity | Potential Environmental Impacts | Proposed Mitigation Measures | Institutional Responsibilities | Cost Estimate |
|---|---|---|---|---|---|
| Pre-Construction Phase | | | | | |
| Construction Phase | | | | | |
| Operation and Maintenance Phase | | | | | |

**Table 12: Template for summarizing Monitoring Requirements**

| | Mitigation Measure | Parameters To be Monitored | Location | Measurements | Frequency | Responsibilities | Cost |
|---|---|---|---|---|---|---|---|
| Pre-Construction Phase | | | | | | | |
| Construction Phase | | | | | | | |
| Operation and Maintenance Phase | | | | | | | |

**Table 13: Template for summarizing Institutional Strengthening and Training**

| I.Strengthening Activity | Position (Responsibilities) | Strengthening Program | Schedule | | Cost Estimate |
|---|---|---|---|---|---|
| Mitigation | | | | | |
| Monitoring | | | | | |
| II.Training Activity | Participants | Course | Content | Schedule | Cost Estimat |
| 1.EMP Implementation Re-design Conflict Resolution | | | | | |
| 2.Environmental Processes, Methods and Equipment | | | | | |
| 3.Environmental Policies and Programs | | | | | |

**Table 14: Template for Scheduling and Reporting**

| | Year 1 | | | | Year 2 | | | | Year 3 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Activity | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | | | | |
| Mitigation Measures ___________- ………… | | | | | | | | | | | | | | | | |
| Monitoring- ___________- ……………….. | | | | | | | | | | | | | | | | |
| Institution-alStrength-ening_____- ……………… | | | | | | | | | | | | | | | | |
| Training ___________- ……………… | | | | | | | | | | | | | | | | |

## Public Consultation And Information Disclosure

Most of the requirements on consultation and information disclosure are listed in the Environment Policy and Operations Manual, so please refer to these summaries. The additional requirements in the EA Guidelines include the following:

### Reporting

Reporting the public consultation and information disclosure activities is required as part of the project review. The information regarding the past and future consultation and disclosure activities is reviewed during the mid-term review and annual review for Category A and B sensitive projects.

A summary of the past consultation activities and recommendations and future plan needs to be described in the EIA and SEIA for a category A project and IEE and SIEE for a category B project. The key reporting aspects listed below are to be included in both EIA and IEE:

(i) relevant laws and regulation;

(ii) methodologies used to inform and involve the public in the EA process;

(iii) analysis of the data and information gathered;
(iv) discussion of the strategic issues related to various stakeholders, level of involvement,
(v) documentation of public meetings and interviews, including dates, names, topics of discussion, and important outcomes;
(vi) recommendations on how the project might address concerns raised during public consultation; and
(vii) recommended measures for continuous public consultation during the environmental management program. (para 220)

### Public Consultation During the Preparation of EIAs and IEEs

Before conducting public consultation, a strategy must be developed that identifies stakeholders, specifies appropriate consultation tools, schedules, roles of Project Team and the executing agency, conflict resolution methods, and prepare appropriate information materials to support consultation. (para 225)

The environmental assessment report should integrate social analysis conducted by social development specialists or consultants in the assessment of the magnitude of impacts and develop appropriate mitigation measures and EMP. The EMP should explore roles for communities in environmental monitoring. (para 226)

Effective publication requires that information be in a form that is readily understandable and meaningful to the project affected people. If needed, the technical information will have to be made accessible to the local communities and other stakeholders. Once a draft EIA or IEE is prepared, the information on the recommended mitigation measures and monitoring plan must be disclosed to the relevant stakeholders to gain their consensus and support. Public consultation activities must be adequately documented in the draft EIA/SEIA and IEE/SIEE. (para 227)

It is necessary to recognize any concerns that local communities or other stakeholders may have to detect any potential serious conflicts in the communities. Appropriate mechanisms that incorporate local decision-making traditions to facilitate dialogue and develop consensus on identified issues should be established. Careful attention to the selection of stakeholder representatives is necessary to make mediation manageable. (para 228)

### Monitoring Compliance with Public Consultation Requirements

**Safeguard Policy Compliance**

**Memo.** Prior to the MRM, RSES reviews the RRP and the final EIA/SEIA or IEE/SIEE to determine the project's degree of compliance with ADB's safeguard policies. To facilitate this review, public consultation activities and future plans should be described in the SEIA or SIEE and include an assessment of compliance with the ADB's requirements and national laws and regulations. (para 229)

**Environmental Loan Covenants.** To make all the agreed environmental and social safeguards binding and effective, the procedures, responsibilities, and resource allocations for public consultation and information disclosure activities that are documented in the EIA/SEIA, IEE/SIEE, and RRP are to be included in the environmental covenants of the loan documents. (para 230)

**Loan Approval and Implementation (EMP Implementation).** During the implementation stage, the EMP needs to be implemented and monitored. It is important to maintain effective procedures: (i) for addressing complaints, (ii) to detect and document any changes in the project design and EMP, and (iii) for corrective action to mitigate any unforeseen adverse environmental and social impacts. The EMP will need to be modified, as necessary, to minimize unintended or unpredicted adverse environmental and social impacts. (para 231)

Disclosure of monitoring results to the local communities is recommended if the proposed project proposes community environmental monitoring. (para 232)

**Mid-term Review**. During the mid-term review mission, the executing agency's progress and performance in EMP implementation are reviewed. Interviews with local communities should be undertaken to detect any negative environmental and social impacts that were not predicted in the EA. The effectiveness of EMP should be assessed and any necessary corrective actions undertaken. The review of EMP and complaints feedback procedures should be described in the back-to-office report. (para 233)

**Project Completion and Evaluation.** Annual review mission should cover issues and identified solutions, if any, concerning project affected people. The executive agency needs to send ADB the annual report to describe the progress made in the on-going public consultation. As part of the project review, the effectiveness of consultation process should be assessed in the Project Completion Report. The Performance Audit Reports should draw lessons for future projects. (para 234)

### Social Dimensions and Environmental Assessment

**Introduction** (para 249)
Environmental assessment reports and summaries, if possible, are required to include (i) a social acceptability assessment of the proposed project; and (ii) recommended mitigation measures such as a Resettlement Plan and an Indigenous People's Development Plan (IPDP), as necessary.

### Social Dimensions and Associated Processes

The key social dimensions considered in ADB operations are: (para 251)

(i) Poverty Reduction through: (a) assistance directly targeted to support productive activities that generate employment and income; (b) identification of development policies and investments that expand the employment opportunities for the poor; and (c) improvement of the access of the poor to health, family planning, education and related services, and expansion of these services;

(ii) Gender and Development, consisting of promoting policies and activities that help all people develop their full potential, improve their productivity, increase their contribution to the economy, and share in the rewards of development as equal partners;

(iii) Human Resources Development, including Population Planning, which involves investments to help improve the skills, living standards, and quality of life of present and future generations of people, and increase their contribution towards sustained and accelerated economic growth; and

(iv) Vulnerable Groups, including children, indigenous and tribal people, ethnic minorities, illegal settlers and squatters, disabled people, new and old immigrants, whose condition may be made worse by a policy reform, a new program, or some form of project intervention, and for whom social safety nets and compensation mechanisms have to be provided so that they are not adversely affected by such changes.

The need to analyze social factors that influence a project continues throughout the entire life of a project. The social analysis may cover an assessment of: (i) the groups expected to benefit from, and use the services to be provided by, the project; (ii) the needs of the groups; (iii) their demands; (iv) their absorptive capacity; (v) gender issues; and (vi) possible adverse effects on vulnerable groups and the need for measures to mitigate or compensate those adversely affected.

It is necessary to conduct an Initial Social Analysis (ISA) during the project identification stage which would focus on identifying the major population groups that may be affected, beneficially and otherwise by the proposed project. It would also identify the specific social dimension issues that would be examined during the social analysis to be carried out as part of project preparation. (para 252)

**Poverty Reduction and Environmental Assessment**

The poverty reduction strategy of ADB is defined by a framework consisting of 3 key elements: (i) pro-poor, sustainable economic growth, (ii) social development, and (iii) good governance. (para 260)

The ISA's results should be incorporated in the project environmental assessment and summary environmental assessment reports, specifically in the sections on (i) Description of the Environment; (ii) Social Acceptability; and (iii) Impact Assessment and Mitigation Measures. (para 262)

**1. Involuntary Resettlement (para 263)**

Any development project that introduces significant changes in the patterns of use of land, water, or other natural resources may entail some adverse impacts on people who are currently using such resources and associated economic, social, cultural, and religious facilities. Some examples that involve acquisition or redirection of use of lands that are owned or utilized by individuals and communities include:

(i) construction of highways, railways, and irrigation canal networks;
(ii) construction of dams for irrigation and hydropower generation;
(iii) construction of transmission lines and other facilities requiring rights-of-way;
(iv) construction of airports;
(v) construction, rehabilitation, or expansion of ports and towns;
(vi) construction or improvement of urban infrastructure such as sewerage, subways, intracity roads, and more general urban systematization;
(vii) establishment of coal-fired thermal power generation plants and other polluting industrial plants;
(viii) inception of mining operations, particularly strip mining;
(ix) establishment of protected nature parks, biodiversity and conservation areas and grazing areas; and
(x) forestry development, including reforestation, industrial tree plantations, clearing/harvesting of forests, and closure of forest areas.

**2. Involuntary Resettlement Planning (para 265-266)**

Involuntary resettlement, if unavoidable, should be well planned and executed so that the quality of life and livelihoods of those affected will be restored, economic growth is enhanced, and poverty reduced. If the results of the ISA indicate that the project is likely to have significant resettlement effects, a Resettlement Plan should be prepared. Significant resettlement means one or more of the following: (i) 200 people or more will experience resettlement effects; (ii) 100 people or more who will experience resettlement effects are indigenous or vulnerable people, including women-headed households, the poorest, isolated communities, those without legal title to assets, and pastoralists; or (iii) more than 50 people experiencing resettlement are particularly vulnerable, e.g., a group of hunter-gatherers.

**3. Involuntary Resettlement and Environmental Assessment**

Category A and B projects may involve land acquisition and therefore, a Resettlement Plan should be prepared and briefly incorporated in the environmental assessment report, particularly in the environmental mitigation and monitoring plans to be implemented during project implementation and operation. (para 267)

**Indigenous Peoples**

**1. ADB Policy on Indigenous Peoples (para 270)**

ADB regards indigenous peoples as having a "social or cultural identity distinct from the dominant or mainstream society, which makes them vulnerable to being disadvantaged in the processes of development." ADB's policy on indigenous peoples ensures that ADB interventions are:

(i) consistent with the needs and aspirations of affected indigenous peoples;
(ii) compatible in substance and structure with affected indigenous peoples' culture and social and economic institutions;
(iii) conceived, planned, and implemented with the informed participation of affected communities;
(iv) equitable in terms of development efforts and impacts; and
(v) not imposing the negative effects of development on indigenous peoples without appropriate and acceptable compensation.

**2. Implications for Environmental Assessment (para 271-273)**

If the ISA identifies indigenous peoples specifically as a significantly and adversely affected population, or vulnerable to being so affected, an IPDP must be prepared by the government or other project sponsors. The IPDP should include key elements such as specific measures to mitigate negative effects and provide necessary and appropriate assistance and compensation so that the circumstances of the affected peoples would be as favorable as would have existed before the intervention. The IPDP will also confirm the social acceptability of the proposed project, as the Plan could not have been prepared without prior consultations with, and involvement of, the affected indigenous peoples. If necessary, pertinent sections of the IPDP should be included in the environmental assessment report to complete the description of the environment, the potential impacts of the project, and the measures to mitigate, offset, or compensate for, adverse impacts.

## Environmental Auditing

Environmental audit entails a systematic, documented and periodic review of either a company's operation or project implementation. Its objectives are to (i) determine whether a company complies with all regulatory and environmental performance standards or other management requirements for their operations; and (ii) ensure conformity with environmental assessment requirements, and test the accuracy of the assessment.

### Environmental Management System Audit (para 323)

Environmental management system audits evaluate the effectiveness of environmental management and performance systems based on stated objectives. It also determines whether the systems have been designed and implemented to meet management objectives.

### Compliance Audit (para 324)

There are two types of Compliance Audit: (1) Regulatory Audit - evaluates current operations and controls to determine applicable regulatory requirements and (2) Performance Audit - determines whether actual environmental management conforms to stated objectives.

### Site Property Audit (para 325)

Site Property Audit determines the environmental risks associated with financing, purchasing and sale, and for insurance purposes.

### Environmental Assessment Audit (para 326-327)

Environmental assessment audit determines whether the contents of an environmental statement are correct and comprehensive. They have the following objectives:

(i) organize and interpret the environmental monitoring data to establish a record of change associated with project implementation or operation.
(ii) verify that all or selected parameters and methods to measure environmental parameters as part of the environmental monitoring program comply with regulatory requirements, internal policies and standards, and established environmental quality performance limits.
(iii) compare predicted and actual impacts to assess the accuracy of predictions.
(iv) assess the effectiveness of environmental management systems, practices, and procedures.
(v) determine the degree and scope of necessary improvement or remedial works in case of non-compliance, or in the event that the company's environmental objectives are not achieved.

## Appendix 2: Content and Format of an Environmental Impact Assessment (EIA)

### Introduction (para 1)

The general objectives of the EIA study are:
(i) to provide baseline information about the environmental, social, and economic conditions in the project area;
(ii) to provide 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) to provide information on potential mitigation measures to minimize 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 considered; and
(v) to provide basic information for formulating environmental management plan.

### The Process in Preparing EIA

Scoping should be conducted to develop the terms of reference (TOR) for an EIA. It should at least produce the following outputs: (para 3)

(i) identify the likely environmental impacts or other environmental concerns and consideration that need to be further investigated in EIA study,
(ii) identify environmental components that need detailed further study,
(iii) determine the general approach and methodology required to carry out the EIA study,
(iv) identify in general all affected interest to be consulted in carrying out EIA study, and

(v) identify the need to fit the outputs of EIA into the project context especially on environmental management plan.

The next step is undertaking the EIA study, and the following are key important activities:

1. Describing Environmental Condition of the Project Area - This step involves a collection of baseline information on biophysical, social and economic aspects of the area in which the activity or proposed project would occur. It should cover areas affected by all impacts including potential compensation area, and potential area affected by its alternatives. The level of detail in this description of study area should be sufficient to convey to readers the general nature of environmental and social resources condition of the affected areas. (para 5)

2. Assessing Potential Impacts - This involves the prediction of changes over time in various environmental aspects as a result of a proposed project. (para 6)

3. Formulating Mitigation Measures - Once the impacts have been analyzed, their significance will be determined and measures will be devised to mitigate anticipated environmental changes and consequential impacts during project implementation and operation, or further reduce the residual environmental changes inherent in the selected project design. (para 7)

4. Preparing the Environmental Management Plan - This involves the implementation of environmental protection and mitigation measures and monitoring of significant environmental impacts in all phases of the project. For guidelines on the content of an EMP, see the summary of the chapter on the Environmental Management Plan. (para 9)

## Documenting EIA Studies

### 1. Environmental Impact Assessment Report

It is suggested that the EIA report follow the following format:

**a. Introduction -** includes the following: (para 15)

• the purpose of the report, including (a) identification of the project and its proponent, (b) brief description of the nature, size, and location of the project and its importance to the country, and (c) any other pertinent background information;

• the stages of project preparation (i.e., pre-feasibility study, feasibility study, detailed engineering design preparation);
• the extent of the EIA study, including the scope of the study, magnitude of effort, and persons/ expertise or agency performing the study and corresponding person months; and
• a brief outline of the contents of the report, including any special techniques or methods used for identifying issues, assessing impacts, and designing environmental protection measures.

**b. Description of the Project** - should provide sufficient details on the following: (para 16)

• type of project
• need for project
• location (use maps showing general location, specific location, project boundary and project site layout)
• size or magnitude of operation including any associated activities required by or for the project
• proposed schedule for approval and implementation
• description of the project including drawings showing project layout, components of project, etc.

**c. Description of the Environment (para 17)**

• describes the study area, preferably presented in maps, figures and tables
• gives detailed description of the methodology to be used for information gathering
• includes the following baseline environmental information: (i) Physical Resources; (ii) Ecological Resources; (iii) Economic Development; and (iv) Social and Cultural Resources

**d. Alternatives (para 18, 21)**

• calls for the systematic comparison of feasible alternatives for the proposed project site, technology, and operational alternatives in terms of their potential environmental impacts, capital and recurrent costs, suitability under local conditions, and institutional, training and monitoring requirements and in some instances, "alternatives to" the project.

**e. Anticipated Environmental Impacts and Mitigation Measures**

(i) Review Characteristics of Each Environmental Impact - evaluates the project's expected impacts (in as quantified terms as possible) on each resource or value, and applicable sectoral environmental guidelines wherever any significant impact is expected (including environmental risk assessment, where appropriate). Environmental impacts to be investigated will include those: (i) due to project location; (ii) caused by possible accidents; (iii) related to design; and (iv) due to construction, regular operations, and final decommissioning or rehabilitation of a completed project. (para 24)

(ii) Mitigating Adverse Effects - explains how the project plan/design minimizes each adverse effect and in addition how the project plan/design, to the extent feasible, includes provision for offsetting or compensating of adverse effects and for positive enhancement of benefits or environmental equality (para 25)

(iii) Irreversible and Irretrievable Impacts - identifies the extent to which the proposed project would irreversibly curtail the potential uses of the environment. (para 26)

(iv) Temporary Effects During Project Construction -discusses the environmental impacts of the project during the construction phase (to be terminated on completion of construction), including proposed remedial measures. (para 27)

**f. Economic Assessment (para 28)**

• includes the following elements: (i) costs and benefits of environmental impacts; (ii) costs, benefits, and cost-effectiveness of mitigation measures; and (iii) discussion of impacts that have not been expressed in monetary values, in quantitative terms where possible (e.g. weight of volume estimates of pollutants).

**g. Environmental Management Plan (para 29)**

• describes how the mitigation and other measures to enhance the benefits of environmental protection will be implemented.

**h. Public Consultation and Information Disclosure (para 32)**

• describes the process undertaken to involve the public in project design and recommended measures for continuing public participation;
• summarizes major comments received from beneficiaries, local officials, community leaders, NGOs, and others, and describes how these comments were addressed;
• lists milestones in public involvement (e.g., dates, attendance, topics of public meetings), and recipients of the report and other project-related documents;
• describes compliance with relevant regulatory requirements for public participation;
• if possible, summarizes public acceptance or opinion on the proposed project; and
• describes other related materials or activities (e.g., press releases, notifi-

cations) as part of the effort to gain public participation.

**Conclusions** (para 33)

• presents the conclusions of the study including: (i) gains which justify project implementation; (ii) explanation of how adverse effects could be minimized or offset, and compensated to make these impacts acceptable; (iii) explanation of use of any irreplaceable resources; and (iv) provisions for follow-up surveillance and monitoring.

**2. Summary Environmental Impact Assessment Report (para 34)**

The summary EIA (SEIA) report is the executive summary of the EIA report. It describes the critical facts and significant findings of the EIA report, and their resolutions in sufficient detail. The following is the outline of the SEIA and the recommended number of pages for each section:

A. Introduction (1/2 page)
B. Description of the Project (1/2 page)
C. Description of the Environment (2-3 pages)
D. Alternatives (1-2 pages)
E. Anticipated Environmental Impacts and Mitigation Measures (4-6 pages)
F. Economic Assessment (1-2 pages)
G. Environmental Management Plan (1-2 pages)
H. Public Consultation and Disclosure (1-3 pages)
I. Conclusions (1 page)

## Appendix 3: Contents and Format of an Initial Environmental Examination (IEE)

**Introduction (para 1-2)**

The general objectives of an IEE study are the same as that of an EIA. The IEE however, is conducted if the project is likely to have minor or limited impacts, which can easily be predicted and evaluated, and for which mitigation measures are prescribed easily. However, the IEE is also used to confirm whether this is, indeed, requires an EIA as a follow up.

**The Process in Preparing IEE (para 3-11)**

The process involved in preparing an IEE is no different from the steps taken in the preparation of an EIA. It begins with scoping, followed by the same key activities for the conduct of an EIA study.

**Documenting IEE Studies**

**1. Initial Environmental Examination**

If the approved IEE concludes that the project will not have any significant adverse environmental impacts, then the environmental assessment is deemed complete. If there are unresolved issues, the recommendation should be either that further studies be undertaken to resolve the issues, or that a full EIA is required. The content and format of the IEE report is as follows:

**a. Introduction** - includes the following: (para 14)

• purpose of the report, including (a) identification of the project and project proponent; (b) brief description of the nature, size, and location of the project and of its importance to the country; and (c) any other pertinent background information; and
• extent of the IEE study: scope of study, magnitude of effort, person or agency performing the study, and acknowledgement.

**b. Description of the project**- should provide sufficient details on the following: (para 15)

• type of project;
• category of Project;
• need for project;
• location (use maps showing general location, specific location, and project site);
• size or magnitude of operation;
• proposed schedule for implementation; and
• description of the project, including drawings showing project layout, and project components.

**c. Description of the Environment**- furnishes sufficient information of the existing environmental resources in the area affected by the project, including the following (to the extent applicable): (para 16)

• Physical Resources
• Ecological Resources
• Economic Development
• Social and Cultural Resources

**d. Screening of Potential Environmental Impacts and Mitigation Measures (para 17)**

• screens out "no significant impacts" from those with significant adverse impact by reviewing each relevant parameter according to the following factors or operational stages using the checklist of environmental parameters for different sector projects.
• recommends appropriate mitigation measures for environmental problems due to project location, and related to project design, construction, and operations.

**e. Institutional Requirements and Environmental Monitoring Plan (para 18)**

• states the impacts to be mitigated, and activities to implement the mitigation measures, including how, when, and where they will be implemented.
• describes the impacts to be monitored, and when and where monitoring activities will be carried out, and who will carry them out.

• describes the environmental management and monitoring costs to be entailed.

**f. Public Consultation and Information Disclosure (para 19)**

• describes the process undertaken to involve the public in project design and recommended measures for continuing public participation;

• summarizes major comments received from beneficiaries, local officials, community leaders, NGOs, and others, and describe how these comments were addressed;
• lists milestones in public involvement (e.g., dates, attendance, topics of public meetings), and recipients of the report and other project-related documents;
• describes compliance with relevant regulatory requirements for public participation;
• describes other related materials or activities (e.g., press releases, notifications) as part of the effort to gain public participation.

**g. Findings and Recommendations (para 20)**

• includes an evaluation of the screening process.
• provides a recommendation on whether significant environmental impacts exist needing further detailed study or EIA
• If an EIA is needed, then this section will include a brief terms of reference (TOR) for the needed follow-up EIA, including approximate descriptions of work tasks, professional skills required, time required, and estimated costs.

**h. Conclusions (para 21)**

• discusses the result of the IEE and justification, if any, of the need for additional study or EIA

**2. Summary Initial Environmental Examination Report (para 22)**

The summary IEE (SIEE) report is the executive summary of the IEE report. It describes the significant findings of the IEE report, and recommendations to manage them. The following is the outline of the SIEE and the recommended number of pages for each section:

A. Introduction (1/2 page)
B. Description of the Project (1/2 page)
C. Description of the Environment (2 pages)
D. Forecasting Environmental Impacts and Mitigation Measures (2-4 pages)
E. Institutional Requirements and Environmental Monitoring Plan (1 page)
F. Public Consultation and Disclosure
G. Findings and Recommendations (1-2 pages)
H. Conclusions (1/2 page)