

# ENVIRONMENTAL AND SOCIAL SAFEGUARD STANDARDS



Environmental Investment Fund  
of **Namibia** | ensuring sustainability

Environmental Investment Fund of Namibia

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Date: 15 Jan 2015

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## 1. Introduction

Within the context of the mission for the Environmental Investment Fund of Namibia (EIF), it is EIF's policy to ensure that any unintended adverse environmental and social consequences of proposed projects and programs are identified and evaluated by EIF prior to a final decision to proceed, and that appropriate safeguards measures to avoid or minimize environmental and social impacts are put in place when necessary. The Monitoring and Evaluation Officer of the EIF is the custodian of this policy.

In particular, EIF recognizes that conservation activities designed for the broader public good must also equitably address the rights and livelihoods of local communities dependent on natural resources. This implies understanding and avoiding resource use restrictions as much as possible, resolving conflicts through voluntary and equitable agreements, and promoting community stewardship of lands and natural resources. This policy will be applied on all projects to (a) assess environmental and social risks and impacts; (b) evaluate labor and working conditions of workers; (c) measure resource efficiency and pollution prevention; (d) guard community health, safety and security; (e) avoid or minimise harm caused by land acquisition and involuntary resettlement; (f) maintain biodiversity conservation and sustainable management of living natural resources; (g) secure the rights indigenous peoples; and (h) protect cultural heritage.

For these reasons, it is EIF policy to ensure that:

- To promote environmentally sustainable development by supporting the protection, biodiversity conservation, maintenance, and rehabilitation of natural habitats and their functions
- Adverse social or economic impacts on resource-dependent local communities resulting from conservation-related restrictions on resource access and/or use are avoided or minimized.
- Resolution of conflicts between conservation objectives and local livelihoods is sought primarily through voluntary agreements including benefits commensurate with any losses incurred.
- Through these measures, involuntary resettlement is avoided or minimized, including through assessment of all viable alternative project designs; and in limited circumstances where this is not possible, displaced persons are assisted in improving or at least restoring their livelihoods and standards of living relative to pre- displacement or pre-project levels (whichever is higher).
- Community stewardship of lands, resources, and cultural heritage is positively promoted.

### 1.1 Objectives

This overarching safeguard standard aims to ensure EIF supported initiatives integrate environmental and social considerations into all levels of decision making and throughout a programme/project life cycle. This Safeguard promotes a systems based approach to sustainable development and specifically gears interventions towards ensuring issues of climate change mitigation and adaptation, social equity and ecosystem enhancement are more thoroughly and appropriately addressed. The specific objectives are to:

- Ensure appropriate planning especially in the identification and selection of alternatives to enhance environmental benefits and avoid or, if avoidance is

not possible, minimize, mitigate and offset/compensate for adverse impacts on the environment and on affected communities (i.e. apply a mitigation hierarchy);

- Ensure the effective management of environmental and social opportunities and risks at all stages of the project cycle from conception to closure (for example ensure Clients have an appropriate Environmental Management System in place and have the institutional and management capacity to effectively design and manage project cycles);
- Provide for stakeholders and key interested and affected party engagement so that interested and affected parties have timely access to information in suitable forms, and are empowered to meaningfully engage in issues that may affect them through all stages of the project life cycle;
- Support proper safeguard implementation through all stages of the project, from construction and operation through to closure/decommissioning.

To achieve these policy objectives, EIF will:

- 1) Require (public and private) partners to conduct prior assessments to understand:
  - The potential for restrictions on resource-dependent local communities' access to and use of natural resources and/or physical displacement associated with the activity.
  - The prior rights and claims of local people to lands and resources that will be affected by the activity – including statutory and customary rights.
  - The relationship between current patterns or trends in human use and specific conservation objectives.
- 2) Based on these assessments, support and promote alternative project designs that will:
  - Take the least restrictive approach to address conflicts between local resource use patterns or trends and conservation objectives (e.g., modifying use of particular resources rather than broader restrictions on access to an area).
  - Respect and protect the – statutory and customary – social, economic and political rights of those affected, with particular attention to vulnerable groups and to ensuring that enjoyment of basic rights (e.g., food) is not undermined.
  - Provide benefits that are - at least - culturally and economically consistent with any losses incurred.
  - Include full consultation on the proposed actions, and result in voluntary agreements with affected people.
  - Ensure that efforts to protect the environment in one way doesn't have negative impacts on other aspects of the environment
- 3) Through these measures, especially avoid or minimize involuntary resettlement – i.e., involuntary taking of land or involuntary restriction of access to natural resources - by identifying, assessing and addressing potential economic and social impacts of conservation activities, and assessing all viable alternative project designs.
- 4) In particular, in the case of any project involving restriction of access to legally- designated natural resources, EIF will (in addition to the measures above) design, document and disclose a participatory process before appraisal for: (a) preparing and implementing project components, (b) establishing eligibility for mitigation measures, (c) agreeing mitigation measures that help improve or restore livelihoods in a manner that maintains the sustainability of the natural resource, (d) resolving conflicts, (e) monitoring implementation.



- 5) In limited circumstances where customary or statutory rights would not be adversely affected, viable alternatives have been sought but cannot be achieved, and capacity of relevant authorities is sufficient to carry out resettlement in a socially-sound manner, EIF will ensure – as a condition for project support – that any involuntary resettlement measures comply with the following procedures:
  - Persons to be resettled have opportunities to participate in the planning, implementation and monitoring of the resettlement program, especially in the development and implementation of procedures for determining eligibility for compensation and development assistance, and for establishing grievance mechanisms.
  - Particular attention is paid to the needs of vulnerable groups.
  - Persons to be resettled are informed of their rights, consulted on options, and provided with technically and economically feasible resettlement alternatives and assistance, including
    - Compensation for loss of assets attributable to the project,
    - If there is relocation, assistance during relocation,
    - Preference for land-based resettlement strategies where livelihoods are land- based.
  - Persons who have no recognizable legal right or claim to the land they are occupying are provided resettlement assistance in lieu of compensation for land, consistent with the objectives of this policy.
  - Draft resettlement plans and/or plans to address involuntary restriction on access to protected areas are disclosed in a timely manner, in a place and language accessible to key stakeholders including project-affected groups and CSOs, before appraisal formally begins.
  - Resettlement assistance is provided before displacement or restriction of access, and all resettlement plans are implemented prior to project completion.
  - Assessment is carried out to determine achievement of resettlement objectives, upon completion of the project.
- 6) Promote and support community-based approaches to conservation and natural resource management consonant with EIF goals and objectives, with particular attention to community land and resource rights, institutional strengthening, traditional knowledge, bio-cultural diversity, sustainable development and equitable benefit- sharing.

## **2. Overarching Statement the Commitment and Policy Principles**

EIF affirms that environmental and social sustainability is a cornerstone of economic growth and poverty reduction in Namibia, consistently with Article 95 of the Constitution of the Republic of Namibia. EIF Strategy therefore emphasizes assisting its clients to pursue environmentally sustainable and inclusive economic growth. In addition, EIF is committed to ensuring the social and environmental sustainability of the projects it supports. In this context, the goal of this policy is to promote the sustainability of project outcomes by protecting the environment and people from projects' potential adverse impacts.

To achieve the policy objectives and deliver the policy principles, EIF carries out the actions described in this policy to help borrowers/clients and their projects achieve

the desired outcomes, EIF adopts a set of specific safeguard requirements that borrowers/clients are required to meet in addressing environmental and social impacts and risks. EIF staff, through their due diligence, review, and supervision, will ensure that borrowers/clients comply with these requirements during project preparation and implementation. These safeguard requirements are as follows:

- (i) Safeguard Requirements 1: Environment (Appendix 1),
- (ii) Safeguard Requirements 2: Involuntary Resettlement (Appendix 2),
- (iii) Safeguard Requirements 3: Indigenous Peoples (Appendix 3), and
- (iv) Safeguard Requirements 4: Special Requirements for Different Finance Modalities (Appendix 4).

EIF will not finance projects that do not comply with its safeguard policy statement, nor will it finance projects that do not comply with the environmental laws and regulations of the Republic of Namibia, including those laws implemented under obligations of international law.

This safeguard policy statement applies to all EIF-financed and/or EIF-administered projects, and their components regardless of the source of financing, including investment projects funded by a loan; and/or a grant; and/or other means, such as equity and/or guarantees (hereafter broadly referred to as projects).

### **3. Policy Delivery Process**

The following steps outline a specific set of procedures related to environmental and social impact assessment and monitoring that will be undertaken for all EIF projects. These procedures conform with Global Environment Facility, Adaptation Fund, Green Climate Fund, World Bank and USAID requirements for social and environmental safeguards and gender mainstreaming, and encompass assessment of potential impacts on: natural habitat, indigenous peoples, women, local communities with particular attention to vulnerable groups, involuntary resettlement and physical cultural resources. It is EIF's intent to test and refine these procedures over time in order to further strengthen their effectiveness in the field. The EIF environmental and social review and monitoring procedures include the following steps:

**STEP 1:** Preparation of an Environmental and Social Impact Screening. For all projects, a formal EIF Review Team and the project team will conduct an internal screening. This screening will entail reviewing proposed project activities and an initial assessment of whether there is potential for adverse impacts in relation to the social, gender and environmental safeguard and mainstreaming issues (outlined above), which would require additional assessment. The Project Team will fill out the Screening Tool as indicated in Table 1.

**STEP 2:** Additional research and documentation. The EIF Review Team and the project team will identify areas from the screening where more research and documentation will be required to reach an assessment of the potential impacts.



**STEP 3:** Environmental and Social Impact Assessment Decision. The EIF Review Team will work with disinterested experts outside of EIF to identify which potential impacts are significant and will necessitate an Environmental or Social Impact Assessment. The project will be assigned a categorization of A, B, or C.

**Category A: High Risk Category.** The environmental impacts generated by these projects are likely to be significant, broad and diverse. They may be irreversible and could lead to significant impacts on the social, physical and biological environment, as well as changes in land use

**Category B: Medium Risk Category.** The environmental impacts associated with these projects may be adverse but are generally of a lesser degree or significance than high-risk projects. Few, if any, of the impacts are irreversible and mitigation measures for these projects can therefore be more easily prescribed.

**Category C: Low Risk Category.** These projects are unlikely to have adverse environmental impacts. The social, physical and biophysical environments will not be significantly affected.

**STEP 4:** Disclosure. All disclosures will be made available in a timely manner in a place accessible to key stakeholders, including indigenous peoples and other local communities, in a form and language understandable by them. This disclosure includes all draft Environmental and Social Impact Assessments, ESMPs, mitigation plans and all other documents including Indigenous People's Plans, Resettlement Plans, and results of all stakeholder consultations. This must take place prior to review of the ESIA and any decisions are made.

**STEP 5:** Consultation. Appropriate consultations with potentially-affected groups – including indigenous peoples, local communities, and women and men of different ages, ethnicities and status – will be carried out as early as possible in the process, to solicit their informed participation in project design and as a basis for continuing consultations to address issues that may affect them over the course of the project. Documentation of screening and categorization of the project must be disclosed publically prior to proceeding with the appraisal. At a minimum, consultation for Category A projects should take place during the scoping phase and at the draft ESIA stage prior to step 8 below, "Decision." For Category B projects consultation at a minimum should take place at the stage of the draft ESMP and prior to step 8 below, "Decision."

**STEP 6:** Preparation of an Environmental and Social Impact Assessment (ESIA) to inform project design, implementation and monitoring. An Environmental and Social Impact Assessment shall be prepared for all identified significant impacts of Category B projects to further evaluate safeguard issues determined to be relevant to the proposed project. The EIF will have a roster of expert consultants who will undertake the ESIA assessment at the cost of the applicant. A full ESIA will be conducted for Category A projects. The ESIA will be designed to understand potential impacts, in keeping with EIF policies, so as to avoid, minimize and/or mitigate adverse impacts, and enhance benefits, including through alternative project designs. The ESIA will be conducted by an independent EIF Network evaluator or by a third party (outside of

EIF) if deemed necessary. If necessary, as part of the ESIA, EIF will assess feasible investment, technical and siting alternatives, including the “no action” alternative, in particular with the aim of avoiding, minimizing and/or mitigating any potential adverse social or environmental affects. Materials disclosed as referenced in step 5.

**STEP 7: Action Plan and Mitigation Plan.** If the ESIA results in a finding that there are potential social, gender and/or environmental impacts that can be avoided, minimized or mitigated (Category B), the specific measures to address this should be included in any action plan that results from the regular planning for the project (e.g. from the EIF Standards). In parallel to the action or mitigation plan, all appropriate Indigenous Peoples’ Plans and Resettlement Plans should also be developed and additional stakeholder consultations with affected communities should be carried out. The action plan, or a more specific mitigation plan if called for, and all appropriate Indigenous Peoples’ Plans and Resettlement Plans, should include the following elements:

- Specific measures to provide culturally and economically appropriate benefits to potentially affected groups and/or at minimum to avoid, minimize or mitigate adverse effects. Measures should include capacity development and training measures, an implementation schedule, and cost estimate.
- All project and program planning to address adverse social or environmental impacts must be developed with the participation of multiple stakeholders, including local NGOs, indigenous peoples and local communities (women and men, and including vulnerable and at-risk groups), and include consultation and consent procedures in keeping with relevant EIF policies.
- Materials disclosed as referenced in step 5.

**STEP 8: Decision.** Upon review of the ESIA, the EIF Fund Management Committee will make a decision as to whether or not the ESIA and mitigation plans fully and adequately address any and all identified impacts and whether proper consultation and disclosure has taken place. Only after the ESIA has been accepted can design of the project be finalized and the project be approved. The decision will be submitted formally in writing to the project proponents and EIF and, thereafter, publicly disclosed.

**STEP 9: Monitoring plan.** Every project should have a monitoring plan that would be derived from the steps of the EIF Standards and informed by the Environmental and Social Impact Assessment (ESIA). The monitoring plan should include specific provisions for monitoring compliance with mitigation measures identified in the ESIA, to address negative environmental and social impacts and enhance positive ones, and where appropriate include gender disaggregated monitoring.

**STEP 10: Accountability mechanisms:** For projects with projected social or gender impacts, a grievance mechanism exists within EIF and can be utilized as part of the overall monitoring and evaluation plan for the project.

### 3.1 Screening Checklist



The initial screening stage involves the Basic Risk Categorisation of the project to be funded. This step is based on desktop analysis and the aim of the initial screening is to facilitate the following:

- Decision-making and evaluation during the appraisal process to ensure the effective and efficient appraisal of projects;
- The identification of information required for the environmental appraisal, including the necessary authorisations and approvals required, and carbon emission estimates, where this is required; and
- The identification of potential environmental benefits and opportunities for consideration and emphasis during appraisal process.
- The following Checklist can be used.

### 3.3 Guidance on Categorization of Projects

Projects will be categorized based on a review of the initial screening of the project, provided through the preparation of the Checklist Tool and review of additional documentation that may be required. If any potential impact is identified in the screening, with a “yes” answer or any question remains a “maybe”, after required additional research and documentation is carried out prior to categorization, the project will be Category A or B. The ESIA review team and peer review will determine if the magnitude of potential impacts merits a category 1, classification. This decision will be prepared in writing and disclosed, including an explanation of how the categorization was determined. Criteria for reaching this decision are detailed below.

**Category A:** A proposed project is classified as Category A if it is likely to have significant adverse impacts that are sensitive, diverse, or unprecedented, or that affect an area broader than the sites or facilities subject to physical works. These impacts may affect an area broader than the sites or facilities subject to physical works. ESIA for a Category A project examines the project's potential negative and positive environmental impacts, compares them with those of feasible alternatives (including the 'without project' situation), and recommends any measures needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve environmental performance.

**Category B:** A proposed project is classified as Category B if its potential adverse social and environmental impacts on human populations or environmentally important areas are less adverse than those of Category 1 projects. Few if any of these impacts are irreversible; and in most cases mitigation measures can be designed more readily than for Category B projects. The scope of ESIA for a Category B project may vary from project to project, but it is narrowed to focus only on those impacts deemed significant. It examines the project's potential positive and negative impacts and recommends any measures needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve environmental performance. Generally for Category B project ESIAs, a field review of environmental and social information provided by the project sponsor and the project team should be necessary. In a few circumstances, the ESIA Team may determine that the project and its potential impacts are simple enough to only mandate a desk review.



Where there are special issues of concern, such as resettlement, indigenous peoples or pest management issues, EIF will require the project team to consult early in the project cycle with potentially affected stakeholders, this applies to Category A as well.

**Category C:** A proposed project is classified as Category C if it is likely to have minimal or no adverse social and/or environmental impacts. Beyond screening, no further assessment is required for a Category C project.

### 3.4 Project location

The selection of a screening category often depends substantially on the project setting, while the “significance” of potential impacts is partly a function of the natural and sociocultural surroundings. There are a number of locations which should cause the ESIA Review Team to seriously consider an “1” classification:

- In or near sensitive and valuable ecosystems — wetlands, wild lands and habitat of endangered species;
- In or near areas with archaeological and/or historical sites or existing cultural and social institutions;
- In densely populated areas, where resettlement may be required or potential pollution impacts and other disturbances may significantly affect communities;
- In regions subject to heavy development activities or where there are conflicts in natural resource allocation;
- Along watercourses, in aquifer recharge areas or in reservoir catchments used for potable water supply; and
- On lands or waters containing valuable resources (such as fisheries, minerals, medicinal plants, prime agricultural soils).

The precise identification of the project’s geographical setting at the screening stage greatly enhances the quality of the screening decision and helps focus the ESIA on the important environmental issues. A map of the project area that includes key environmental features (including cultural heritage sites) is invaluable for this purpose. The Project Team and other EIF staff working in that location will make information on the project setting available to the ESIA Review Team. Local institutions and NGOs are also valuable sources. In the absence of any such information, the ESIA Review Team should consider sending a reconnaissance mission to provide the basis for proper screening. Often a product of this mission is a draft of the Terms of Reference (TOR) for the ESIA.

### 3.5 Sensitivity of issues

Environmental issues that are sensitive always require special attention during the ESIA process. These issues may include (but are not limited to) disturbance of tropical forests, conversion of wetlands, potential adverse effects on protected areas or sites, encroachment on lands or rights of indigenous peoples or other vulnerable

minorities, involuntary resettlement, impacts on international waterways and other trans boundary issues, and toxic waste disposal.

The best way to ensure proper treatment of such issues is to classify the project as Category A, so that the level of effort will be adequate in terms of analytical expertise, decision-making, interagency coordination, and public involvement.

### 3.6 Nature of impacts

It is difficult to describe the nature of impacts without having some overlap with the concepts of sensitivity and project type. The ESIA Review Team should take into consideration the following examples of impacts that warrant Category A attention:

- Irreversible destruction or degradation of natural habitat and loss of biodiversity or environmental services provided by a natural system;
- Risk to human health or safety (for example, from generation, storage or disposal of hazardous wastes, or violation of ambient air quality standards); and
- Absence of effective mitigatory or compensatory measures.

### 3.7 Magnitude of impacts

There are a number of ways in which magnitude can be measured, such as the absolute amount of a resource or ecosystem affected, the amount affected relative to the existing stock of the resource or ecosystem, the intensity of the impact and its timing and duration. In addition, the probability of occurrence for a specific impact and the cumulative impact of the proposed action and other planned or on-going actions may need to be considered. For example, the resettlement of 5,000 families is a large impact, in absolute terms. Conversion of 50 hectares of wetland, however, differs markedly in significance depending on its size relative to the total area of wetlands in the country or region. An average decrease in dissolved oxygen concentration of 0.05 mg/l in receiving water is unlikely to have serious biological or chemical implications, while a decrease of 3.0 mg/l will in many circumstances. The effect of either decrease on the aquatic ecosystem will be different depending on its duration and frequency of occurrence—continuous or permanent, seasonal, intermittent or accidental. Where it is possible to assign probabilities to potential impacts, which often cannot be done without detailed analysis, the risk of occurrence becomes an aspect of magnitude.

One of the requirements of a full ESIA is that other current and proposed development activities within the project area and more spontaneous activities spurred by a project (such as migration of people into an area opened up by a road project) must be taken into account. Such cumulative or induced impact may sometimes be the primary determinant of the appropriate level of ESIA.

### 3.8 Outputs of screening

EIF reviews the results with the Project Team, especially with regard to the level of ESIA required, the general scope of the ESIA, public disclosure and consultation requirements, schedule, and implementation arrangements. As soon as possible after screening, the Project team should prepare the Terms of Reference (TORs) for any ESIA required. EIF assists as necessary in preparing the TORs and always reviews their contents.

### 3.9 Projects and Components by Category

#### List 1. Category A projects

However, the following projects or components included in this list are potentially within the scope of EIF's portfolio and could have adverse impacts that normally warrant classification in Category A.

- Aquaculture and mariculture (large-scale)
- Large-scale land agro-industry projects
- Large-scale afforestation/reforestation and use of wetlands
- Land resettlement schemes (planned and unplanned)
- Irrigation, drainage, and flood control (large-scale)
- Resettlement of local populations
- Projects that may have potentially significant adverse impacts on physical cultural resources (e.g. damages to ancestral graves, holy grounds, etc.)
- Forest industry development including industrial and community uses
- Land use changes affecting biodiversity

Please note, many mega projects in the portfolio of the International Finance Corporation or regional development banks that are often identified as Category A are not within EIF's scope of work. These include: Dams and reservoirs; Hazardous waste management and disposal; Industrial plants (large-scale) and industrial Estates (including major expansion, rehabilitation, or modification); Land clearance and levelling; Manufacture, transportation, and use of pesticides or other hazardous and/or toxic materials; Mineral development (including oil and gas); New construction or major upgrading of highways or rural roads; Port and harbor development; Reclamation and new land development; River basin development; Thermal power and hydropower development or expansion; and Water supply and wastewater collection, treatment and disposal projects (large-scale).

#### List 2. Category B projects

The following projects and components may have environmental impacts for which more limited EA is appropriate.

- Agro-industries (small- and medium-scale)
- Energy efficiency and energy conservation
- Irrigation and drainage (small-scale)
- Watershed management or rehabilitation, river basin management planning, international water management, and agreements for medium-sized projects
- Protected areas and biodiversity conservation



- Range and pasture management and livestock management
- Small and medium-sized aquaculture, including small and medium-scale industrial and artisanal fisheries
- Rehabilitation or maintenance of highways or rural roads
- Renewable energy (other than hydroelectric dams).
- Limited bioenergy projects
- Climate Adaptation projects
- Reforestation/afforestation
- Rural water supply and sanitation
- Tourism
- Forest industry development including industrial and community uses
- Watershed projects (management or rehabilitation)
- Land use changes affecting biodiversity
- Projects that may have potentially minor adverse impacts on physical and cultural resources

It is however noted that some types of projects (conservation, adaptation and mitigation) can have significant impacts on people as well – including large scale wind, solar or geothermal instalments, all of which can take up large area of land. Therefore depending on scale, a project of this nature might be classified under Category A.

### List 3. Category C projects

These projects are likely to have negligible or no environmental impacts. EA is normally not required.

- Education
- Natural resource assessments and monitoring
- Environmental and sustainable development analysis
- Monitoring and evaluation exercises
- Desk studies, workshops, meetings
- Scientific research and field surveys (however the nature of the research may require reclassification as Category B)
- Research and extension in agriculture, forestry, fisheries, natural resource management
- Remote sensing and geospatial analysis
- Capacity development, communication and outreach programs, including training
- Minor construction activities (SMEs) and maintenance of installations- should have EIA exemption certificates or approved Environmental Management Plans
- Institutional development

**Table 1:** Screening Checklist Tool

Performance Standards	Risk Indicator	Mitigation Measures	Post Mitigation Impact Rating (1-7)	Information/ Reference Sources
<b>Environmental Assessment</b>	Impact on terrestrial and aquatic (includes marine) ecosystem, species, habitats and functions			
	Impact on landscape and soil			
	Borrowers and grantees understanding of legislative responsibility			
	Current level of compliance by proponents towards environmental legislations, e.g. Environmental Management Act of 2007			
	Allocation of responsibility for environmental management			
	Client awareness and implementation of climate change mitigation and adaptation measures.			
	Existence of a viable EMS and other sustainability mechanisms			
	Financial resources allocated to environmental management			
	Environmental capacity building			
	Exposure to extreme temperature fluctuations			
	Coastal Vulnerability			
	Sustainable use of natural resources			
	Equity of resources use			
	Other			
<b>Labor and working conditions of workers</b>	Fair treatment, non-discrimination, and equal opportunity of workers			
	Maintain, and improve the worker-management relationship			
	Protect workers, including vulnerable categories of workers such as children, migrant workers, workers engaged by third parties, and workers in the client's supply chain			
	Knowledge of international and national labour practices			
	Isolation from key essential services such as health, schools, financial service providers, etc.			
	Occupational health measures integrated into the work environment			
	Conducive operational framework that promotes workers well being			
	Decent work principles (forced and child labour, social security, freedom of association, etc.)			
	Working hours and living conditions in commensurate with the Labour Act of 2010			
Others				
<b>Measure resource efficiency and pollution prevention</b>	Efficiency of Water use			
	Efficiency of land use			
	Efficiency of energy use			



	Air quality: regulated pollutants i.e. Sulphur dioxide (SO2); Nitrogen dioxide (NO2); Particulate matter (PM10); Ozone (O3); Benzene (C6H6); Lead (Pb) and Carbon monoxide (CO)			
	Air quality: GHG (CO2, etc)			
	Air quality: noise and dust			
	Water quality: effluent/pollutants to affect surface water			
	Waste: Generation of Hazardous waste			
	Disposal of hazardous waste			
	Generation of non-hazardous waste			
	Others			
<b>Community health, safety and security</b>	Safeguarding of personnel and property			
	Relevant human rights principles			
	Equitable access and use of natural resource			
	Maintenance of ecosystem services and goods			
	Environmental health standards (pollution, degradation, etc.)			
	Strengthening of community integration			
	Emergency management plans for social safety nets			
	Ethnic and racial considerations			
	Corporate Social Responsibility			
	General public safety measures			
Other				
<b>Avoid or minimise harm caused by land acquisition and involuntary resettlement</b>	Displacement of communities			
	Forced eviction			
	Social and economic impacts from land acquisition			
	Compensation for loss of assets at replacement cost			
	Disclosure of information, consultation, and the informed participation of those affected			
	Livelihoods and standards of living of displaced persons			
	Living conditions among physically displaced persons			
	Housing with security of tenure at resettlement site.			
Others				
<b>Maintain biodiversity conservation and sustainable management of living natural resources</b>	Protect and conserve biodiversity			
	Maintain the benefits from ecosystem services			
	Sustainable management of living natural resources			
	Integration conservation needs and development priorities			
	Cultural services obtained from ecosystems			
	Critical biodiversity habitats and high value ecosystems			
	Invasive aliens			
	Knowledge of national policies on biodiversity			

	conservation			
	Others			
<b>Secure the rights indigenous peoples</b>	Respect for the human rights, dignity, aspirations, culture			
	Natural resource-based livelihoods of Indigenous Peoples			
	Impacts of projects on communities of Indigenous Peoples			
	Sustainable development benefits and opportunities for Indigenous Peoples			
	Consultation and Participation (ICP) with the Indigenous Peoples			
	Free, Prior, and Informed Consent (FPIC) of the Affected Communities of Indigenous Peoples			
	Others			
	<b>Protect cultural heritage</b>	Equitable sharing of benefits from the use of cultural heritage		
Respect and preserve the culture, knowledge, and practices				
Impact on culturally/historically significant resources				
Impact on culturally/historically significant landscape				
Impact on community access to natural resources				
Community engagement on natural resources and heritage				
Other				

**Table 2: Scoring guide**

Overall Environmental Indicator Impact rating	Impact Rating Point
High Positive	7.0
Medium Positive	6.0
Low Positive	5.0
Insignificant	4.0
Low Negative	3.0
Medium Negative	2.0
High Negative	1.0

#### **4. Guidance on Carrying out a Environmental and Social Impacts Assessment**

Early project screening and identification of environmental and social information requirements ensure that information can be provided in a timely and cost-effective manner and that these issues can be addressed during the project appraisal process without delaying the project processing cycle. Upon receipt of the Environmental and Social Impact Assessment Decision, the ESIA Team communicates the findings to the project team. The project team with the ESIA team will ensure that the ESIA is carried out and ensure that this activity is completed in a responsive manner. The length of time required for the ESIA depends on the completeness of the information provided by the project sponsor, the overall complexity of the project, and potential impacts on the physical, biological and human environment.

Review of environmental and social information provided through the ESIA normally occurs during project appraisal, although it may occur earlier in the project cycle if the information is available. During the review, data gaps or other deficiencies in the project sponsor's environmental assessment may be identified. In addition, questions or concerns about the environmental and social information may arise. In these cases, the ESI Team, contacts the project team to seek clarification or additional information.

During the ESIA, ESIA Team works with the project team to enhance project benefits or correct any deficiencies. The review of a project is an interactive process requiring communication between the two teams and experts, as appropriate. Specific activities associated with the review process depend on the category of the project as follows:

**Category A Projects:** Visit to the project site by one or more members of the ESIA Review Team or a consultant selected by EIF to gain first-hand knowledge of the project and to meet with the project team and representatives of affected groups to discuss environmental and social concerns and information needs, to explain public consultation and disclosure requirements, and to determine the issues which must be addressed in the ESIA. Desk review by ESIA Review Team of the ESIA report provided by the project team and other relevant information provided by the project team.

**Category B Projects:** Desk review by ESIA Review Team of environmental and social information provided by the project team. A member of the ESIA Review Team generally expects a site visit or an EIF selected consultant depending after technical approval of the project. See screening chart for ESIA in the Operational manual.

**Category C Projects:** No further environmental review required

#### **APPENDIX 1: SAFEGUARD REQUIREMENTS: ENVIRONMENTAL**

## **1. Background**

Safeguard Requirements 1 outlines the requirements that borrowers/clients are required to meet when delivering environmental safeguards for projects supported by the EIF. It discusses the objectives and scope of application, and underscores the requirements for undertaking the environmental assessment process. These requirements include assessing impacts, planning and managing impact mitigations, preparing environmental assessment reports, disclosing information and undertaking consultation, establishing a grievance mechanism, and monitoring and reporting. The document also includes particular environmental safeguard requirements pertaining to biodiversity conservation and sustainable management of natural resources, pollution prevention and abatement, occupational and community health and safety, and conservation of physical cultural resources. The applicability of particular requirements is established through the environmental assessment process and compliance with the requirements is achieved through implementation of environmental management plans agreed to by EIF and the borrower/client.

## **2. Objectives**

The objectives are to ensure the environmental soundness and sustainability of projects, and to support the integration of environmental considerations into the project decision-making process.

## **3. Requirements**

### **3.1 Environmental Assessment**

Environmental assessment is a generic term used to describe a process of environmental analysis and planning to address the environmental impacts and risks associated with a project. At an early stage of project preparation, the borrower/client will identify potential direct, indirect, cumulative and induced environmental impacts on and risks to physical, biological, socioeconomic, and physical cultural resources and determine their significance and scope, in consultation with stakeholders, including affected people and concerned NGOs. If potentially adverse environmental impacts and risks are identified, the borrower/client will undertake an environmental assessment as early as possible in the project cycle. For projects with potentially significant adverse impacts that are diverse, irreversible, or unprecedented, the borrower/client will examine alternatives to the project's location, design, technology, and components that would avoid, and, if avoidance is not possible, minimize adverse environmental impacts and risks. The rationale for selecting the particular project location, design, technology, and components will be properly documented, including, cost-benefit analysis, taking environmental costs and benefits of the various alternatives considered into account. The "no project" alternative will be also considered.

Impacts and risks will be analyzed in the context of the project's area of influence. This area of influence encompasses (i) the primary project site(s) and related facilities that the borrower/client (including its contractors) develops or controls, such as power transmission corridors, pipelines, canals, tunnels, access roads, borrow pits and disposal areas, and construction camps; (ii) associated facilities that are not



funded as part of the project (funding may be provided separately by the borrower/client or by third parties), and whose viability and existence depend exclusively on the project and whose goods or services are essential for successful operation of the project; (iii) areas and communities potentially affected by cumulative impacts from further planned development of the project, other sources of similar impacts in the geographical area, any existing project or condition, and other project-related developments that are realistically defined at the time the assessment is undertaken; and (iv) areas and communities potentially affected by impacts from unplanned but predictable developments caused by the project that may occur later or at a different location. The area of influence does not include potential impacts that might occur without the project or independently of the project. Environmental impacts and risks will also be analyzed for all relevant stages of the project cycle, including preconstruction, construction, operations, decommissioning, and post closure activities such as rehabilitation or restoration.

### **3.2 Environmental Planning and Management**

The borrower/client will prepare an environmental management plan (EMP) that addresses the potential impacts and risks identified by the environmental assessment. The EMP will include the proposed mitigation measures, environmental monitoring and reporting requirements, emergency response procedures, related institutional or organizational arrangements, capacity development and training measures, implementation schedule, cost estimates, and performance indicators. Where impacts and risks cannot be avoided or prevented, mitigation measures and actions will be identified so that the project is designed, constructed, and operated in compliance with applicable laws and regulations and meets the requirements specified in this document. The level of detail and complexity of the environmental planning documents and the priority of the identified measures and actions will be commensurate with the project's impacts and risks. Key considerations include mitigation of potential adverse impacts to the level of "no significant harm to third parties", the polluter pays principle, the precautionary approach, and adaptive management.

The borrower/client will use qualified and experienced experts to prepare the environmental assessment and the EMP. For highly complex and sensitive projects, independent advisory panels of experts not affiliated with the project will be used during project preparation and implementation.

### **3.3 Information Disclosure**

The borrower/client will submit to EIF the following documents for disclosure on EIF's website:

- (i) A draft full EIA (including the draft EMP) at least 120 days prior to EIF Board consideration, and/or environmental assessment and review frameworks before project appraisal, where applicable;
- (ii) The final EIA;
- (iii) A new or updated EIA and corrective action plan prepared during project
- (iv) Implementation, if any; and



(v) The environmental monitoring reports.

The borrower/client will provide relevant environmental information, including information from the documents in a timely manner, in an accessible place and in a form and language(s) understandable to affected people and other stakeholders. For illiterate people, other suitable communication methods will be used.

### **3.4 Consultations and Participation**

The borrower/client will carry out meaningful consultation with affected people and other concerned stakeholders, including civil society, and facilitate their informed participation. Meaningful consultation is a process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues. Consultation will be carried out in a manner commensurate with the impacts on affected communities. The consultation process and its results are to be documented and reflected in the environmental assessment report.

### **3.5 Grievance Redress Mechanism**

The borrower/client will establish a mechanism to receive and facilitate resolution of affected peoples' concerns, complaints, and grievances about the project's environmental performance. The grievance mechanism should be scaled to the risks and adverse impacts of the project. It should address affected people's concerns and complaints promptly, using an understandable and transparent process that is gender responsive, culturally appropriate, and readily accessible to all segments of the affected people at no costs and without retribution. The mechanism should not impede access to the country's judicial or administrative remedies. The affected people will be appropriately informed about the mechanism.

### **3.6 Monitoring and Reporting**

The borrower/client will monitor and measure the progress of implementation of the EMP. The extent of monitoring activities will be commensurate with the project's risks and impacts. In addition to recording information to track performance, the borrower/client will undertake inspections to verify compliance with the EMP and progress toward the expected outcomes. For projects likely to have significant adverse environmental impacts, the borrower/client will retain qualified and experienced external experts or qualified NGOs to verify its monitoring information. The borrower/client will document monitoring results, identify the necessary

corrective actions, and reflect them in a corrective action plan. The borrower/client will implement these corrective actions and follow up on these actions to ensure their effectiveness.

The borrower/client will prepare periodic monitoring reports that describe progress with implementation of the EMP and compliance issues and corrective actions, if any. The borrower/client will submit at least semi-annual monitoring reports during construction for projects likely to have significant adverse environmental impacts, and quarterly monitoring reports for highly complex and sensitive projects. For projects likely to have significant adverse environmental impacts during operation, reporting will continue at the minimum on an annual basis. Such periodic reports will be posted in a location accessible to the public. Project budgets will reflect the costs of monitoring and reporting requirements.

### **3.7 Biodiversity Conservation and Sustainable Natural Resource Management**

The borrower/client will assess the significance of project impacts and risks on biodiversity and natural resources as an integral part of the environmental assessment process. The assessment will focus on the major threats to biodiversity, which include destruction of habitat and introduction of invasive alien species, and on the use of natural resources in an unsustainable manner. The borrower/client will need to identify measures to avoid, minimize, or mitigate potentially adverse impacts and risks and, as a last resort, propose compensatory measures, such as biodiversity offsets, to achieve no net loss or a net gain of the affected biodiversity.

#### **a) Natural Habitats**

In areas of natural habitat, the project will not significantly convert or degrade such habitat, unless the following conditions are met:

- (i) No alternatives are available.
- (ii) A comprehensive analysis demonstrates that the overall benefits from the project
- (iii) will substantially outweigh the project costs, including environmental costs.
- (iv) Any conversion or degradation is appropriately mitigated.

Mitigation measures will be designed to achieve at least no net loss of biodiversity. They may include a combination of actions, such as post project restoration of habitats, offset of losses through the creation or effective conservation of ecologically comparable areas that are managed for biodiversity while respecting the on-going use of such biodiversity by Indigenous Peoples or traditional communities, and compensation to direct users of biodiversity.

#### **b) Critical Habitats**

No project activity will be implemented in areas of critical habitat unless the following requirements are met:

- (i) There are no measurable adverse impacts, or likelihood of such, on the critical habitat, which could impair its high biodiversity value or the ability to function.

- (ii) The project is not anticipated to lead to a reduction in the population of any recognized endangered or critically endangered species or a loss in area of the habitat concerned such that the persistence of a viable and representative host ecosystem be compromised.

When the project involves activities in a critical habitat, the borrower/client will retain qualified and experienced external experts to assist in conducting the assessment.

#### **c) Invasive Alien Species**

The borrower/client will not intentionally introduce any new alien species (that is, species not currently established in the country or region of the project) unless carried out in accordance with the existing regulatory framework for such introduction, if such a framework is present, or unless the introduction is subject to a risk assessment (as part of the environmental assessment) to determine the potential for invasive behaviour. Under no circumstances must species known to be invasive be introduced into new environments. The borrower/client will undertake assessment of the possibility of accidental or unintended introduction of such invasive alien species and identify measures to minimize the potential for release.

#### **d) Management and Use of Renewable Natural Resources**

Renewable natural resources will be managed in a sustainable manner. Sustainable resource management is management of the use, development, and protection of resources in a way, or at a rate, that enables people and communities, including Indigenous Peoples, to provide for their current social, economic, and cultural well-being while also sustaining the potential of those resources to meet the reasonably foreseeable needs of future generations.

This includes safeguarding the life-supporting capacity of air, water, and soil ecosystems. Where possible, the borrower/client will demonstrate the sustainable management of resources through an appropriate system of independent certification.

### **3.8 Pollution Prevention and Abatement**

During the design, construction, and operation of the project the borrower/client will apply pollution prevention and control technologies and practices consistent with international good practice, as reflected in internationally recognized standards such as the World Bank Group's Environment, Health and Safety Guidelines. These standards contain performance levels and measures that are normally acceptable and applicable to projects. When host country regulations differ from these levels and measures, the borrower/client will achieve whichever is more stringent. If less stringent levels or measures are appropriate in view of specific project circumstances, the borrower/client will provide full and detailed justification for any proposed alternatives that are consistent with the requirements presented in this document.

#### **a) Pollution Prevention, Resource Conservation, and Energy Efficiency**

The borrower/client will avoid, or where avoidance is impossible, will minimize or control the intensity or load of pollutant emission and discharge. In addition the borrower/client will examine and incorporate in its operations resource conservation and energy efficiency measures consistent with the principles of cleaner production. When the project has the potential to constitute a significant source of emissions in an already degraded area, strategies that help improve ambient conditions, such as evaluating alternative project locations and considering emissions offsets, will be introduced.

#### **b) Wastes**

The borrower/client will avoid, or where avoidance is not possible, will minimize or control the generation of hazardous and non-hazardous wastes and the release of hazardous materials resulting from project activities. Where waste cannot be recovered or reused, it will be treated, destroyed, and disposed of in an environmentally sound manner. If the generated waste is considered hazardous, the client will explore reasonable alternatives for its environmentally sound disposal considering the limitations applicable to its transboundary movement. When waste disposal is conducted by third parties, the borrower/client will use contractors that are reputable and legitimate enterprises licensed by the relevant regulatory agencies.

#### **c) Hazardous Materials**

The borrower/client will avoid the manufacture, trade, and use of hazardous substances and materials subject to international bans or phase outs because of their high toxicity to living organisms, environmental persistence, potential for bioaccumulation, or potential for depletion of the ozone layer and will consider the use of less hazardous substitutes for such chemicals and materials.

#### **d) Pesticide Use and Management**

The environmental assessment will ascertain that any pest and/or vector management activities related to the project are based on integrated pest management approaches and aim to reduce reliance on synthetic chemical pesticides in agricultural and public health projects. The borrower/client's integrated pest/vector management program will entail coordinated use of pest and environmental information along with available pest/vector control methods, including cultural practices, biological, genetic and, as a last resort, chemical means to prevent unacceptable levels of pest damage. The health and environmental risks associated with pest management should be minimized with support, as needed, to institutional capacity development, to help regulate and monitor the distribution and use of pesticides and enhance the application of integrated pest management.

The borrower/client will not use products that fall in World Health Organization Recommended Classification of Pesticides by Hazard Classes Ia (extremely hazardous) and Ib (highly hazardous) or Class II (moderately hazardous), if the project host country lacks restrictions on distribution and use of these chemicals, or if they are likely to be accessible to personnel without proper training, equipment, and facilities to handle, store, apply and dispose of these products properly. The borrower/client will handle, store, apply and dispose of pesticides in accordance with

international good practice such as the Food and Agricultural Organization's International Code of Conduct on the Distribution and Use of Pesticides.

#### **e) Greenhouse Gas Emissions**

The borrower/client will promote the reduction of project-related anthropogenic greenhouse gas emissions in a manner appropriate to the nature and scale of project operations and impacts. During the development or operation of projects that are expected to or currently produce significant quantities of greenhouse gases,<sup>10</sup> the borrower/client will quantify direct emissions from the facilities within the physical project boundary and indirect emissions associated with the off-site production of power used by the project. The borrower/client will conduct quantification and monitoring of greenhouse gas emissions annually in accordance with internationally recognized methodologies. In addition, the borrower/client will evaluate technically and financially feasible and cost-effective options to reduce or offset project-related greenhouse gas emissions during project design and operation, and pursue appropriate options.

### **3.9 Health and Safety**

#### **a) Occupational Health and Safety**

The borrower/client will provide workers with a safe and healthy working environment, taking into account risks inherent to the particular sector and specific classes of hazards in the borrower's/client's work areas, including physical, chemical, biological, and radiological hazards. The borrower/client will take steps to prevent accidents, injury, and disease arising from, associated with, or occurring during the course of work by (i) identifying and minimizing, so far as reasonably practicable, the causes of potential hazards to workers; (ii) providing preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances; (iii) providing appropriate equipment to minimize risks and requiring and enforcing its use; (iv) training workers and providing them with appropriate incentives to use and comply with health and safety procedures and protective equipment; (v) documenting and reporting occupational accidents, diseases, and incidents; and (vi) having emergency prevention, preparedness, and response arrangements in place.

#### **b) Community Health and Safety**

The borrower/client will identify and assess the risks to, and potential impacts on, the safety of affected communities during the design, construction, operation, and decommissioning of the project, and will establish preventive measures and plans to address them in a manner commensurate with the identified risks and impacts. These measures will favor the prevention or avoidance of risks and impacts over their minimization and reduction. Consideration will be given to potential exposure to both accidental and natural hazards, especially where the structural elements of the



project are accessible to members of the affected community or where their failure could result in injury to the community. The borrower/client will avoid or minimize the exacerbation of impacts caused by natural hazards, such as landslides or floods that could result from land use changes due to project activities.

The borrower/client will inform affected communities of significant potential hazards in a culturally appropriate manner. The borrower/client will be prepared to respond to accidental and emergency situations. This preparation will include response planning document(s) that addresses the training, resources, responsibilities, communications, procedures, and other aspects required to respond effectively to emergencies associated with project hazards. Appropriate information about emergency preparedness and response activities, resources, and responsibilities will be disclosed to affected communities.

When structural elements or components, such as dams, tailings dams, or ash ponds, are situated in high-risk locations and their failure or malfunction may threaten the safety of communities, the borrower/client will engage qualified and experienced experts, separate from those responsible for project design and construction, to conduct a review as early as possible in project development and throughout project design, construction, and commissioning.

### **c) Physical Cultural Resources**

The borrower/client is responsible for siting and designing the project to avoid significant damage to physical cultural resources. Such resources likely to be affected by the project will be identified, and qualified and experienced experts will assess the project's potential impacts on these resources using field-based surveys as an integral part of the environmental assessment process.

When a project may affect physical cultural resources, the borrower/client will consult with affected communities who use, or have used them within living memory, for long-standing cultural purposes to identify physical cultural resources of importance and to incorporate the views of the affected communities on such resources into the borrower's/client's decision making process. Consultation will also involve relevant national or local regulatory agencies that are entrusted with protecting physical cultural resources. The findings are disclosed as part of, and in the same manner as, the environmental assessment report, except when such disclosure would compromise or jeopardize the safety or integrity of the physical cultural resources.

When the project is likely to have adverse impacts on physical cultural resources, the borrower/client will identify appropriate measures for avoiding or mitigating these impacts as part of the environmental planning process. These measures may range from avoidance to full site protection to selective mitigation, including salvage and documentation, in cases where a portion or all of the physical cultural resources may be lost.

When the proposed location of a project is in areas where physical cultural resources are expected to be found as determined during the environmental assessment process, chance finds procedures will be included in the EMP. Chance finds shall not be disturbed until an assessment by a competent specialist is made and actions



consistent with these requirements are identified. The project will not remove any physical cultural resources unless the following conditions are met:

- (i) No alternatives to removal are available.
- (ii) The overall benefits of the project substantially outweigh the anticipated cultural heritage loss from removal.
- (iii) Any removal is conducted in accordance with relevant provisions of national and/or local laws, regulations, and protected area management plans and national obligations under international laws, and employs the best available techniques

## ANNEX TO APPENDIX 1: OUTLINE ON ENVIRONMENTAL AND SOCIAL IMPACTS ASSESSMENT

### 1. Outline of the assessment

This outline is part of the Safeguard Requirements 1. An environmental assessment report is required for all environment category A and B projects. Its level of detail and comprehensiveness is commensurate with the significance of potential environmental impacts and risks. An environmental and social impacts assessment (ESIA) report focuses on the significant environmental issues of a project. The report's scope and level of detail should be commensurate with the project's potential impacts. The report submitted to EIF is prepared in English, French, or Spanish, and the executive summary in English. Prior to initiating the full ESIA a scoping phase should be carried out. The scoping report should be submitted to EIF and requires the approval of Fund Management Committee for the ESIA to proceed. This scoping report is detailed in *EIF Environmental and Social Impacts Assessment*. A typical EIA report contains the following major elements (not necessarily in the order shown):

**Table 3:** Example of assessment outline

<b>Executive summary</b>	Concisely discusses significant findings, results of consultations, and recommended actions.
<b>Policy, legal, and administrative framework</b>	Discusses the policy, legal, and administrative framework within which the ESIA is carried out. Explains the environmental requirements of any co-financiers. Identifies relevant international environmental agreements to which the country is a party.
<b>Project description</b>	Concisely describes the proposed project and its geographic, ecological, social, and temporal context, including any offsite investments that may be required. Indicates the need for any resettlement plan or indigenous peoples development plan. Normally includes a map showing the project site and the project's area of influence.
<b>Baseline data</b>	Assesses the dimensions of the study area and describes relevant physical, biological, and socioeconomic conditions, including any changes anticipated before the project commences. Also takes into account current and proposed development activities within the project area but not directly connected to the project. Data should be relevant to decisions about project location, design, operation, or mitigatory measures. The section indicates the accuracy, reliability, and sources of the data
<b>Environmental impacts</b>	Predicts and assesses the project's likely positive and negative impacts, in quantitative terms to the extent possible. Identifies mitigation measures and any residual negative impacts that cannot be mitigated. Explores opportunities for environmental enhancement. Identifies and estimates the extent and quality of available data, key data gaps, and uncertainties associated with predictions, and specifies topics that do not require further attention.

**Results of consultations  
Analysis of alternatives**

A summary of consultations carried out during the ESIA process and their recommendations should be included in the body of the report

Systematically compares feasible alternatives to the proposed project site, technology, design, and operation--including the "without project" situation--in terms of their potential environmental impacts; the feasibility of mitigating these impacts; their capital and recurrent costs; their suitability under local conditions; and their institutional, training, and monitoring requirements. For each of the alternatives, quantifies the environmental impacts to the extent possible, and attaches economic values where feasible. States the basis for selecting the particular project design proposed and justifies recommended emission levels and approaches to pollution prevention and abatement.

**Environmental and social management plan (ESMP)  
Appendixes**

Covers mitigation measures, monitoring, and institutional strengthening.

- List of ESIA report preparers--individuals and organizations.
- References--written materials both published and unpublished, used in study preparation.
- Record of interagency and consultation meetings, including consultations for obtaining the informed views of the affected people and local nongovernmental organizations (NGOs). The record specifies any means other than consultations (e.g., surveys) that were used to obtain the views of affected groups and local NGOs.
- Tables presenting the relevant data referred to or summarized in the main text.
- List of associated reports (e.g., resettlement plan or indigenous peoples development plan).

## 2. Preparation of an Environmental and Social Management Plans

A project's environmental and social management plan (ESMP) consists of the set of mitigation, monitoring, and institutional measures to be taken during implementation and operation to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels. The plan also includes the actions needed to implement these measures. Management plans may be an essential element of the ESIA reports for many Category A and B projects along with the main Category B ESIA document (see Guidance on Environmental and Social Impact Assessments of Category C projects). To prepare a management plan, the project team and ESI Team: (a) identify the set of responses to potentially adverse impacts; (b) determine requirements for ensuring that those responses are made effectively and in a timely manner; and (c) describe the means for meeting those requirements. More specifically, the ESMP includes the following components.

### 3. Mitigation

The ESMP identifies feasible and cost-effective measures that may reduce potentially significant adverse environmental impacts to acceptable levels. The plan includes compensatory measures if mitigation measures are not feasible, cost-effective, or sufficient. Specifically, the ESMP:



- Identifies and summarizes all anticipated significant adverse environmental impacts (including those involving indigenous people or involuntary resettlement);
- Describes--with technical details--each mitigation measure, including the type of impact to which it relates and the conditions under which it is required (e.g., continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate;
- Estimates any potential environmental and social impacts of these measures; and
- Provides linkage with any other mitigation plans (e.g., for involuntary resettlement or indigenous peoples,) required for the project.

#### 4. Monitoring

Environmental and social monitoring during project implementation provides information about key environmental and social aspects of the project, particularly the environmental and social impacts of the project and the effectiveness of mitigation measures. Such information enables the project team and EIF to evaluate the success of mitigation as part of project supervision, and allows corrective action to be taken when needed. Therefore, the ESMP identifies monitoring objectives and specifies the type of monitoring, with linkages to the impacts assessed in the ESIA report and the mitigation measures described in the ESMP. Specifically, the monitoring section of the ESMP provides:

- A specific description, and technical details, of monitoring measures, including the parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits (where appropriate), and definition of thresholds that will signal the need for corrective actions;
- Monitoring and reporting procedures to:
  - Ensure early detection of conditions that necessitate particular mitigation measures
  - Furnish information on the progress and results of mitigation.

#### 5. Capacity Development and Training

To support timely and effective implementation of environmental and social project components and mitigation measures, the ESMP draws on the ESIA's assessment to identify capacity to carry out project components. If necessary, the ESMP identifies gaps in this capacity, and the training of staff, to allow implementation of ESIA recommendations. Specifically, the ESMP provides a specific description of institutional arrangements, who is responsible for carrying out the mitigatory and monitoring measures.

#### 6. Implementation Schedule and Cost Estimates



For all three aspects (mitigation, monitoring, and capacity development), the ESMP provides (a) an implementation schedule for measures that must be carried out as part of the project, showing phasing and coordination with overall project implementation plans; and (b) the capital and recurrent cost estimates and sources of funds for implementing the ESMP. These figures are also integrated into the total project cost tables.

## 7. Integration of ESMP with Project

The project team's decision to proceed with a project, and EIF's decision to support it, are predicated in part on the expectation that the ESMP will be executed effectively. Consequently, EIF expects the plan to be specific in its description of the individual mitigation and monitoring measures and its assignment of institutional responsibilities, and it must be integrated into the project's overall planning, design, budget, and implementation. Establishing the ESMP within the project so that the plan will receive funding and supervision along with the other components achieve such integration.

## 8. Public Consultation and Disclosure

### 8.1 Public Consultation

During the ESIA process for Category A and B projects, the project sponsor is required to conduct meaningful consultation with relevant stakeholders including affected groups, indigenous peoples, nongovernmental organizations (NGOs) and local authorities about the project's environmental and social aspects and to take their views into account. The project team initiates such consultations as early as possible. For meaningful consultations, the project team provides relevant information in a timely manner and in a form and language that are understandable and accessible to the groups being consulted. If a project involves involuntary resettlement, before appraisal the project team shall disclose draft resettlement plans, including documentation of the consultation process, in a timely, culturally-appropriate, and inclusive manner, in a place accessible to key stakeholders, including project affected groups. Such documentation should be disclosed in a language understandable to key stakeholders.

**For Category A projects**, the project team consults relevant stakeholders at least twice: (a) during scoping and before the terms of reference for the ESIA are finalized, and (b) once a draft ESIA report is prepared. For the initial consultation, the project team provides a summary of the proposed project's objectives, description, and potential impacts; for consultation after the draft ESIA report is prepared, the project team provides a non-technical summary of the report's findings. In both cases, the summaries should be provided in advance of consultation and proactively disseminated to local stakeholders in a form and language meaningful to those being consulted.



Following the public consultation on the draft ESIA, the project team supplements the ESIA by adding details of the public consultation process, as necessary, including the project team's responses to concerns raised by the various stakeholders and details of measures taken to incorporate these concerns into project design and implementation. These will be publicly provided on the EIF website. The project team continues to consult with relevant stakeholders throughout project construction and operation, as necessary, to address ESIA related and other issues that affect them.

## 8.2 Disclosure of Information

For Category A and B projects, on completion of ESIA Team's review of the ESIA, the ESIA team will provide a written decision that includes:

- Project description
- Rationale for the project categorization
- List of key environmental, social, health and safety issues
- Details of the mitigation measures to bring the project into compliance with EIF's requirements
- An outline of any outstanding issues
- Information on the project's monitoring and reporting program to ensure compliance
- The full ESIA and mitigation plans in annex

After endorsement by the project team, this decision, the results of any consultations, the ESIA for Category A projects and the ESMP for Category B projects are publicly disclosed on the EIF site within 30 days. If the project team objects to releasing the decision or consultation, EIF staffs do not continue work on the project. Since project affected people may not have reasonable access to a EIF office or website, the project team is also required to release locally the decision, and the results of any consultations, translated into the local language, in a culturally appropriate manner, to facilitate awareness by relevant stakeholders that the information is in the public domain for review. This local release should occur in a reasonable timeframe (generally within 30-60 days after completion).

All documents including Environmental and Social Impacts Assessment, Environmental and Social Management Plan, Indigenous Peoples Plan or Indigenous People's Policy Framework, Resettlement Action Plan or Resettlement Policy Framework and Integrated Pest Management Plans are required to be published on the EIF webpage, national websites, and also made available locally in specific locations accessible to affected communities. Only after all steps of the ESIA process including all public consultation and all required disclosure are completed and verified, can the project be considered, reviewed, project design finalized and approved for implementation.

## 8.3 Grievance Redress Mechanism

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

## 9. Data collection and research methods

Describe the design and research methodology for the social analysis. In this regard:

- Clarify the research objective by stating the research hypotheses and identifying the social processes and relationships to be examined by the social assessment;
- Build on existing data;
- Clarify the units of analysis for the social assessment: intra-household, household level, as well as communities/settlements and other relevant social aggregations on which data is available or will be collected for analysis;
- Choose appropriate data collection and analytical tools and methods, employing mixed methods wherever possible; mixed methods include a mix of quantitative and qualitative methods, and a mix of data from different units of analysis for triangulation of results;
- Provide the rationale for sampling employed, including criteria for research sites and selection of respondents. Employ representative sampling wherever possible. When this is not feasible (such as when dealing with impacts on a discrete population group, explain the reason and criteria for purposive sampling employed. For purposive sampling or qualitative research, research rigor is enhanced by providing a control group or establishing matching pairs to obtain robust results;
- Establish baselines and/or benchmarks with indicators for use in future monitoring. Indicators should be of such a nature that gender and other relevant social groups could disaggregate results and impacts.

## **APPENDIX 2: SAFEGUARD REQUIREMENTS: RESETTLEMENT**

### **1. Introduction**

Safeguard Requirements 2 outlines the requirements that borrowers/clients are required to meet in delivering involuntary resettlement safeguards to projects supported by the EIF. It discusses the objectives, scope of application, and underscores the requirements for undertaking the social impact assessment and resettlement planning process, preparing social impact assessment reports and resettlement planning documents, exploring negotiated land acquisition, disclosing information and engaging in consultations, establishing a grievance mechanism, and resettlement monitoring and reporting. Where initial Screening indicates potential for economic or physical displacement associated with the project, the ESIA should include assessment of:

- The nature and extent of economic or physical displacement – and associated economic or social impacts - associated with the activity.
- Differentiated impacts with particular attention to vulnerable groups.
- The prior rights and claims of local people to lands and resources that will be affected by the activity
- The relationship between current patterns or trends in human use and specific conservation objectives.
- Alternatives that would address conflicts between local resource use patterns or trends and conservation objectives in the least restrictive or impactful way (e.g., avoiding use of particular resources rather than broader restrictions on access to an area).
- Alternatives to respect and protect the – statutory and customary - social, economic and political rights of those affected, with particular attention to vulnerable groups and to ensuring that enjoyment of basic rights (e.g., food) is not undermined.
- Benefits that would be - at least - culturally and economically consistent with any losses incurred.
- The participatory and consultation approaches preferred by, or appropriate for, affected communities to inform a framework for consultation and participation during further project development and implementation. The legal framework covering resettlement and the policies of the Government of Namibia and implementing agencies past borrower/clients and likely implementing agencies' experience with similar operations.

## **2. Objectives**

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

## **3. Requirements**

### **3.1 Compensation, Assistance and Benefits for Displaced Persons**



Displaced persons in a project area could be of three types: (i) persons with formal legal rights to land lost in its entirety or in part; (ii) persons who lost the land they occupy in its entirety or in part who have no formal legal rights to such land, but who have claims to such lands that are recognized or recognizable under the laws of the Republic of Namibia; and (iii) persons who lost the land they occupy in its entirety or in part who have neither formal legal rights nor recognized or recognizable claims to such land. The involuntary resettlement requirements apply to all three types of displaced persons.

The borrower/client will provide adequate and appropriate replacement land and structures or cash compensation at full replacement cost for lost land and structures, adequate compensation for partially damaged structures, and relocation assistance, if applicable, to those persons described above prior to their relocation.

Preference will be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based. These strategies may include resettlement on public land, or on private land acquired or purchased for resettlement. Whenever replacement land is offered, displaced persons are provided with land for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the land taken. If land is not the preferred option of the displaced persons, or sufficient land is not available at a reasonable price, non-land-based options built around opportunities for employment or self-employment should be provided in addition to cash compensation for land and other assets lost. The lack of land will be demonstrated and documented to the satisfaction of EIF.

The rate of compensation for acquired housing, land and other assets will be calculated at full replacement costs. The calculation of full replacement cost will be based on the following elements: (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any. Where market conditions are absent or in a formative stage, the borrower/client will consult with the displaced persons and host populations to obtain adequate information about recent land transactions, land value by types, land titles, land use, cropping patterns and crop production, availability of land in the project area and region, and other related information. The borrower/client will also collect baseline data on housing, house types, and construction materials. Qualified and experienced experts will undertake the valuation of acquired assets. In applying this method of valuation, depreciation of structures and assets should not be taken into account.

In the case of physically displaced persons, the borrower/client will provide (i) relocation assistance, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, and civic infrastructure and community services as required; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) opportunities to derive appropriate development benefits from the project.

In the case of economically displaced persons, regardless of whether or not they are physically displaced, the borrower/client will promptly compensate for the loss of income or livelihood sources at full replacement cost. The borrower/client will also provide assistance such as credit facilities, training, and employment opportunities so that they can improve, or at least restore, their income-earning capacity, production levels, and standards of living to predisplacement levels. The borrower/client will also provide opportunities to displaced persons to derive appropriate development benefits from the project. The borrower/client will compensate economically displaced people under paragraph 3.1 for lost assets such as crops, irrigation infrastructure, and other improvements made to the land (but not for the land) at full replacement cost. In cases where land acquisition affects commercial structures, affected business owners are entitled to (i) the costs of re-establishing commercial activities elsewhere; (ii) the net income lost during the transition period; and (iii) the costs of transferring and reinstalling plant, machinery, or other equipment. Business owners with legal rights or recognized or recognizable claims to land where they carry out commercial activities are entitled to replacement property of equal or greater value or cash compensation at full replacement cost.

Involuntary resettlement should be conceived of and executed as part of a development project or program. In this regard, the best strategy is to provide displaced persons with opportunities to share project benefits in addition to providing compensation and resettlement assistance. Such opportunities would help prevent impoverishment among affected persons, and also help meet the ethical demand for development interventions to spread development benefits widely. Therefore borrowers/clients are encouraged to ascertain specific opportunities for engaging affected persons as project beneficiaries and to discuss how to spread such opportunities as widely as possible among affected persons in the resettlement plan.

The borrower/client will ensure that no physical displacement or economic displacement will occur until (i) compensation at full replacement cost has been paid to each displaced person for project components or sections that are ready to be constructed; (ii) other entitlements listed in the resettlement plan have been provided to displaced persons; and (iii) a comprehensive income and livelihood rehabilitation program, supported by an adequate budget, is in place to help displaced persons improve, or at least restore, their incomes and livelihoods. While compensation is required to be paid before displacement, full implementation of the resettlement plan might take longer. If project activities restrict land use or access to legally designated parks and protected areas, such restrictions will be imposed in accordance with the timetable outlined in the resettlement plan agreed between the borrower/client and EIF.

### 3.2 Key elements of a social analysis

The social analysis provides the baseline information for designing the social development strategy. The analysis should determine what the key social and institutional issues are in relation to project objectives; identify the key stakeholder groups in this context and determine how relationships between stakeholder groups will affect or be affected by the project; and identify expected social development outcomes and actions proposed to achieve those outcomes. Social development

outcomes are the socially relevant results the project is expected to achieve, such as poverty reduction, equity and inclusion, strengthening of social capital and social cohesion, and promotion of accountable and transparent governance, as well as the mitigation of adverse impacts arising out of the project.

The key elements and entry points for the social analysis relevant to the project encompass:

- (a) **Social diversity and gender:** Examine how people are organized into different social groups, based on the status ascribed to them at birth – according to their ethnicity, clan, gender, locality, language, class, or some other marker – or on the status or identity they have achieved or chosen – civil servant, industrial labourer, white collar worker, environmentalist, etc. Importantly, an analysis of social diversity also includes looking at the ways in which such diversity interacts with social and power relations and the implications this has for questions of access, capabilities and opportunities;
- (b) **Institutions, rules and behaviours:** Examine social groups' characteristics, intra-group and inter-group relationships, and the relationships of those groups with public and private (e.g. market) institutions (including the norms, values and behaviour that have been institutionalized through those relationships). Such an analysis should provide a detailed assessment of the formal and informal organizations likely to affect the project and the informal rules and behaviours among them. Possible institutional constraints and barriers to project success, as well as methods to overcome them, should be described;
- (c) **Stakeholders:** Identify the various groups who have an interest or a stake in the project. Stakeholders are those who are likely to be affected by a project, as well as those that may influence the project's outcomes. In addition to the beneficiaries of the project and other groups directly affected by it, stakeholders may include organized groups from the public and private sectors as well as civil society who have an interest in the project. The characteristics, interests and likely influence of various groups in the development process are the subject of stakeholder analysis;
- (d) **Participations:** Examine opportunities and conditions for participation by stakeholders – particularly the poor and vulnerable – in the development process (e.g. contributing to project design, implementation and/or monitoring; influencing public choices and decision-making; holding public institutions accountable for the goods and services they are bound to provide; access to project benefits and opportunities; etc.). Otherwise excluded groups affected by the project as well as project beneficiaries should be brought into the social assessment process, and appropriate mechanisms to sustain such participation in project implementation and monitoring should be deployed; and
- (e) **Social risks:** Identify social risks (e.g. country risks, political economy risks, institutional risks, exogenous risks, and vulnerability risks, including but not limited to those that may trigger World Bank Safeguard Policies). Social risk analysis examines the social groups vulnerable to stress and shocks and the underlying factors that contribute to this vulnerability. Drawing on this, risk

management plans should be prepared with an eye to addressing these concerns during project design, implementation, and monitoring and evaluation.

The analysts examine these key elements in order to assess and describe the opportunities, constraints and likely social impacts of the proposed operation. The consultant should fill the gaps in the information on these issues that the Bank task team identifies, and should summarize information from other organizations where available.

### 3.3 Free Prior Informed Consent

EIF not only recognizes indigenous peoples' right to "require that the Project obtain their free and informed consent prior to the approval of any project affecting those lands, territories, and resources" including relocation, but also that EIF will not promote or support, and may actively oppose, interventions which have not received prior free and informed consent (FPIC). This policy standard is a response to decades of efforts, including conservation initiatives, which have not engaged with indigenous peoples prior to project development, allowed indigenous communities to freely decide upon their involvement, or provided adequate information before decisions were made.

Incorporating the FPIC standard in the program cycle is a crucial step to redress this situation. Several standard-setting and methodological discussions at the international level have sought to clarify the meaning of the Free Prior Informed Consent standard and how it can be put into operational practice. From this work, a consensus is emerging on what FPIC implies in terms of What, Who, When and How.

What?

**Free:** No coercion, intimidation or manipulation. Consent to a protected area establishment, for example, has not been imposed or manufactured, but obtained through free consultation and **voluntary negotiations**

**Prior:** Consent has been sought sufficiently in advance of any decision-making, authorization or commencement of activities and that respect is shown for time requirements of indigenous consultation/ consensus processes.

**Informed:** Full information disclosure about:

- The nature, size, pace, reversibility and scope of any proposed project or activity;
- The reason(s) for or purpose(s) of the project and/or activity;
- The duration of the above;
- The locality of areas that will be affected; A preliminary assessment of the likely economic, social, cultural and environmental impact, including potential risks and fair and equitable benefit-sharing in a context that respects the precautionary principle;



Personnel likely to be involved in the execution of the proposed project (including indigenous peoples, private sector staff, research institutions, government employees and others); Procedures that the project may entail.

Consent: Consultation and participation are crucial components of a consent process. Consultation should be undertaken in good faith. The parties should establish a dialogue allowing them to find appropriate solutions in an atmosphere of mutual respect in good faith, and full and equitable participation. Consultation requires time and an effective system for communicating among interest- holders. Indigenous peoples should be able to participate through their own freely chosen representatives and customary or other institutions and access technical/ legal services if needed.

The inclusion of a gender perspective and the participation of indigenous women are essential, as well as participation of children and youth, as appropriate. This process may include the option of withholding consent. Consent to any agreement should be interpreted, as indigenous peoples have reasonably understood it.

Who?

Conservation initiatives need to make sure that individuals and institutions providing consent to a given project or programme is actually representative of the people affected. Identifying representative institutions capable of giving "consent" is not always simple. A guiding principle is that consent should not be limited to individuals, but should also include the collective voice of indigenous communities whether through customary institutions, formal organizations or collective decision-making processes.

In cases where representation is questioned by communities, complementary processes are often needed, for example grassroots level consultations with affected groups taking into account both gender and youth perspectives. FPIC should not be limited to countries where indigenous peoples are recognized and formal FPIC procedures are in place, but should be applied as a basic standard including where indigenous communities are not formally recognized.

When?

The emphasis on « prior » underlines the importance of initiating consultations as early as possible and providing adequate time for indigenous peoples' own decision-making processes to inform different steps of the project cycle. FPIC is particularly important when defining project visions, goals and conservation strategies. This said, FPIC should also be understood as a continuous iterative process of engagement with indigenous peoples rather than as a one-time consultation (e.g. secure buy-in for a project proposal).

How?

Key Elements of an FPIC procedure include:

1. Identifying customary lands and rights holders.

This step is an essential foundation for FPIC as it establishes who the rights-holders to a given area are, and therefore who needs to give consent to a particular activity. As land claims based on customary rights are often not formally recognized in law, fulfilling this element may require support for a participatory community mapping process to document community-recognized rights over forests. Mapping should include different groups within the community (who may have differences in knowledge, interests and uses of resources) as well as neighbouring communities (to validate and agree boundaries).

2. Identifying and engaging with appropriate community decision-making institutions/authorities.

Communities should be represented by institutions they choose themselves through a verifiable process, which may differ from institutions set up under government structures. Appropriate decision-making institutions will vary by the scale of the initiative. Communities may also develop or designate new bodies to engage in participatory development of an initiative; for example, where the geographical scale of the initiative spans several community institutions, or where structures of representative in relation to outsiders are not yet in place. Representation should be broadly inclusive of all rights-holding communities in the area and of all groups within the community (women, youth); ensuring full representation of diverse interests may require specific attention and activities. Where outside facilitation is provided for a consent process, this should be provided by a neutral body (without vested interests in the outcome) and specifically agreed with the community.

3. Identifying and engaging support organizations.

Engaging with support organizations – such as regional or national representative organizations of indigenous peoples and/or expert or advocacy groups on indigenous/community rights – enables communities to access independent information and advice from a rights perspective. In addition, support organizations can work with communities to promote enabling policy frameworks for their local activities, where these are not yet in place or need to be strengthened. Engaging with higher-level organizations also helps promote transparency and learning about effective consent processes that can be spread to other areas.

4. Building mutual understanding and agreement on a locally appropriate FPIC process.

This element addresses the need for outside actors to understand local community decision-making processes and for communities to define their own process as well as expectations regarding information and support from outside groups. Aspects of the local process may include: who makes decisions, timeframes for community discussions and agreement, how potentially marginalized groups will be involved, requirements to reach a decision, points along a process at which FPIC is needed, and how agreements will be documented. Aspects of outside support that may need to be defined include how and when information about a proposed initiative will be communicated and in what forms, and the types of capacity building communities may need to understand and make decisions about the proposed initiative (see also

“Providing Information” and “Supporting Decision- making,” below). Information sharing, engagement and/or capacity building activities with other entities (government, private sector) may also be needed to build support and respect for the FPIC process. The Guiding Principles for FPIC, outlined above, provide a useful standard against which to assess specific processes.

Information provision addresses the principle that decision-making and consent should be informed. Specific relevant information will vary depending on the stage of the work – e.g., initiating a process, designing a project and developing a project implementation agreement.

### **3.4 Resettlement Planning Activities**

The planning of resettlement activities is an integral part of preparation for EIF projects that cause involuntary resettlement. During project development, the project team identifies any potential involuntary resettlement under the project. All projects requiring resettlement activities by necessity must include active engagement with effected communities and free, prior, and informed consent. All EIF efforts that involve resettlement are first and foremost under the guidance of the legal framework of the Republic of Namibia, which is used by EIF to assess, address and monitor potential resource access and use restrictions and involuntary resettlement impacts of proposed projects.

#### **a) Scope of Applicability**

EIF’s policies and procedures on resettlement are applicable to all components of the project that result in involuntary resettlement, regardless of the source of financing. It also applies to other activities resulting in involuntary resettlement that in the judgment of EIF, are:

- Directly and significantly related to the EIF project;
- Necessary to achieve its objectives as set forth in the project documents; and carried out, or planned to be carried out, contemporaneously with the project.

#### **b) Pre-Appraisal Procedural Requirements**

When a proposed project is likely to involve involuntary resettlement, the project team informs EIF and other project partners, including project-affected peoples, and will then:

- a) Assess the nature and magnitude of the social and economic impact of the project, including any displacement or restriction of access to economic or social assets;
- b) Explore all viable alternative project designs to avoid, where feasible, or minimize displacement;
- c) Assess the legal framework covering resettlement and the policies of the government and implementing agencies;
- d) Review experience with similar operations;
- e) Discuss with those responsible for resettlement the policies and institutional, legal, and consultative arrangements for resettlement, including measures to

address any inconsistencies between Government of Namibia and EIF policy;  
and

- f) Discuss any technical assistance to be provided.

For projects with impacts that include the involuntary taking of land resulting in relocation or loss of shelter; loss of assets or access to assets; or loss of income sources or means of livelihood, whether or not the affected persons must move to another location (referenced below as group A impacts), the project team assesses the following during project preparation:

- a. The potential social and economic impacts of the projects;
- b. The extent to which project design alternatives and options to minimize and mitigate involuntary resettlement have been considered;
- c. Progress in preparing the resettlement plan or resettlement policy framework and its adequacy, including the involvement of affected groups and the extent to which the views of such groups are being considered;
- d. Proposed criteria for eligibility of displaced persons for compensation and other resettlement assistance;
- e. The feasibility of the proposed resettlement measures, including provisions for sites if needed; funding for all resettlement activities, including provision of counterpart funding on an annual basis; the legal framework; and implementation and monitoring arrangements; and
- f. If sufficient land is not available in projects involving displaced persons whose livelihoods are land-based and for whom a land-based resettlement strategy is the preferred option, the evidence of lack of adequate land.

For projects with impacts involving the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons (referenced below as group B impacts), the project team assesses the following during project preparation:

- a. The extent to which project design alternatives and options to minimize and mitigate involuntary resettlement have been considered; and
- b. Progress in preparing the process framework and its adequacy, including the adequacy of the proposed participatory approach; criteria for eligibility of displaced persons; funding for resettlement; the legal framework; and implementation and monitoring arrangements.

On the basis of the assessments above, the project team shall consult project-affected people, in a culturally appropriate, inclusive manner, and relevant local fora. Based on the review of relevant resettlement issues and the steps identified above, the project team agrees with appropriate project partners, including project affected peoples and communities included in the above-referenced consultation, on the type of resettlement instrument (resettlement plan, abbreviated resettlement plan, resettlement policy framework, or process framework) and the scope and the level of detail required. The project team conveys these decisions to project partners and also discusses with them the actions and consultations necessary to prepare the resettlement instrument.



Informed by these consultations with project stakeholders, the project team shall develop the resettlement instrument. The content of a resettlement instrument is discussed below in the "Required Measures" section of this document. Upon its completion, the project team should ensure that the resettlement instrument is disclosed to key project stakeholders, including project-affected groups and local CSOs, in a form and language understandable to them.

As an initial step to planning for Involuntary Resettlement, Namibian laws should be identified. In particular, this should include:

- (i) Whether the law recognizes the persons with no legal rights (such as squatters, people that have no land titles but claim they have been on land by tradition or by their ancestor or people that occupied or lived on public land for a long time and were not requested by the government to leave); and
- (ii) Where the law recognizes these persons with no legal rights, whether the procedures developed by the Government provides them with resettlement assistance to help or improve their livelihood instead of land compensation) Appraisal Conditions

The project team submits a resettlement instrument (e.g., a resettlement plan, a resettlement policy framework, or a process framework), as a condition of appraisal for projects involving involuntary resettlement. Once the project team officially transmits the draft resettlement instrument to EIF, EIF staff review it and determine whether it provides an adequate basis for project appraisal. Once the resettlement instrument has been approved, it will be publicly disclosed in compliance with EIF disclosure procedures.

During project appraisal, EIF assesses (a) the executing teams commitment to and capacity for implementing the resettlement instrument; (b) the feasibility of the proposed measures for improvement or restoration of livelihoods and standards of living; (c) availability of adequate counterpart funds for resettlement activities; (d) significant risks, including risk of impoverishment, from inadequate implementation of the resettlement instrument; (e) consistency of the proposed resettlement instrument with the Project Implementation Plan; and (f) the adequacy of arrangements for internal, and if considered appropriate by EIF, independent monitoring and evaluation of the implementation of the resettlement instrument.

#### d) Project Implementation

The project ensures that displacement or restriction of access does not occur before necessary measures for resettlement are in place. For group A impacts covered in these guidelines, these measures include provision of compensation and of other assistance required for relocation, prior to displacement, and preparation and provision of resettlement sites with adequate facilities, where required. In particular, taking of land and related assets may take place only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to the displaced persons. For group B impacts, the measures to assist the

displaced persons are implemented in accordance with the plan of action as part of the project.

Payment of cash compensation for lost assets may be appropriate where (a) livelihoods are land-based but the land taken for the project is a small fraction of the affected asset and the residual is economically viable; (b) active markets for land, housing, and labor exist, displaced persons use such markets, and there is sufficient supply of land and housing; or (c) livelihoods are not land-based. Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets.

For group 1 impacts, EIF also requires the following:

- (i) Displaced persons and their communities, and any host communities receiving them, are provided timely and relevant information, consulted on resettlement options, and offered opportunities to participate in planning, implementing, and monitoring resettlement. Appropriate and accessible grievance mechanisms are established for these groups.
- (ii) In new resettlement sites or host communities, infrastructure and public services are provided as necessary to improve, restore, or maintain accessibility and levels of service for the displaced persons and host communities. Alternative or similar resources are provided to compensate for the loss of access to community resources (such as fishing areas, grazing areas, fuel, or fodder).
- (iii) Patterns of community organization appropriate to the new circumstances are based on choices made by the displaced persons. To the extent possible, the existing social and cultural institutions of resettlers and any host communities are preserved and resettlers' preferences with respect to relocating in pre-existing communities and groups are honored.

#### e) Project monitoring and evaluation

All relevant resettlement plans must be implemented before the project is formally concluded. Upon completion of the project, EIF will assess whether project-related resettlement measures have met their planned objectives. Projects should develop plans to incorporate project-affected communities in the implementation and monitoring of project-related resettlement activities.

#### f) Required Measures

To address the impacts referenced above as group A, the project team prepares a resettlement instrument, plan or policy framework that covers the following:

- (i) The resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are:
  - a. Informed about their options and rights pertaining to resettlement;
  - b. Consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives; and

- c. Provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the project.
- (ii) If the impacts include physical relocation, the resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are
  - a. Provided assistance (such as moving allowances) during relocation; and
  - b. Provided with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site.
- (iii) Where necessary to achieve the objectives of the policy, the resettlement plan or resettlement policy framework also include measures to ensure that displaced persons are
  - a. Offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living; and
  - b. Provided with assistance in addition to compensation measures, such as land preparation, credit facilities, training, or job opportunities.

In projects involving involuntary restriction of access to legally designated parks and protected areas, the nature of restrictions, as well as the type of measures necessary to mitigate adverse impacts (referenced above as group B), is determined with the participation of the displaced persons during the design and implementation of the project. In such cases, the project team prepares a process framework acceptable to EIF, describing the participatory process by which

- (i) Specific components of the project will be prepared and implemented;
- (ii) The criteria for eligibility of displaced persons to receive compensation benefits and development assistance will be determined;
- (iii) Measures to assist the displaced persons in their efforts to improve their livelihoods, or at least to restore them, in real terms, while maintaining the sustainability of the park or protected area, will be identified; and
- (iv) Potential conflicts involving displaced persons will be resolved.

The process framework also includes a description of the arrangements for implementing and monitoring the process.

#### g) Additional Guidance

Particular attention should be paid to the needs of vulnerable groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, indigenous peoples, ethnic minorities, or other displaced persons who may not be protected through national land compensation legislation.

Resettlement of indigenous peoples with traditional land-based modes of production is particularly complex and may have significant adverse impacts on their identity and cultural survival. For this reason, EIF satisfies itself that the project team has explored all viable alternative project designs to avoid physical displacement of these groups. When it is not feasible to avoid such displacement, preference is given to land-based resettlement strategies for these groups that are compatible with their cultural preferences and are prepared in consultation with them.

Preference should be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based. These strategies may include resettlement on public land, or on private land acquired or purchased for resettlement. Whenever replacement land is offered, resettlers are provided with land for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the land taken. If land is not the preferred option of the displaced persons, the provision of land would adversely affect the sustainability of a park or protected area, or sufficient land is not available at a reasonable price, non-land-based options built around opportunities for employment or self-employment should be provided in addition to cash compensation for land and other assets lost. The lack of adequate land must be demonstrated and documented to the satisfaction of EIF.

### **3.5 Negotiated Land Acquisition**

Safeguard Requirements 2 does not apply to negotiated settlements, unless expropriation would result upon the failure of negotiations. Negotiated settlements help avoid expropriation and eliminate the need to use governmental authority to remove people forcibly.

The borrower/client is encouraged to acquire land and other assets through a negotiated settlement wherever possible, based on meaningful consultation with affected persons, including those without legal title to assets. A negotiated settlement will offer adequate and fair price for land and/or other assets. The borrower/client will ensure that any negotiations with displaced persons openly address the risks of asymmetry of information and bargaining power of the parties involved in such transactions. For this purpose, the borrower/client will engage an independent external party to document the negotiation and settlement processes. The borrower/client will agree with EIF on consultation processes, policies, and laws that are applicable to such transactions; third-party validation; mechanisms for calculating the replacement costs of land and other assets affected; and record-keeping requirements.

### **3.6 Information Disclosure**

The borrower/client will submit the following documents to EIF for disclosure on EIF's website: (i) a draft resettlement plan and/or resettlement framework endorsed by the borrower/client before project appraisal; (ii) the final resettlement plan endorsed by the borrower/client after the census of affected persons has been completed; (iii) a new resettlement plan or an updated resettlement plan, and a corrective action plan prepared during project implementation, if any; and (iv) the resettlement monitoring reports.



The borrower/client will provide relevant resettlement information, including information from the documents in a timely manner, in an accessible place and in a form and language(s) understandable to affected persons and other stakeholders. For illiterate people, suitable other communication methods will be used.

### **3.7 Consultation and Participation**

The borrower/client will conduct meaningful consultation with affected persons, their host communities, and civil society for every project and subproject identified as having involuntary resettlement impacts. Meaningful consultation is a process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues. Consultation will be carried out in a manner commensurate with the impacts on affected communities. The borrower/client will pay particular attention to the need of disadvantaged or vulnerable groups, especially those below the poverty line, the landless, the elderly, female-headed households, women and children, Indigenous Peoples, and those without legal title to land.

### **3.8 Grievance Redress Mechanism**

The borrower/client will establish a mechanism to receive and facilitate the resolution of affected persons' concerns and grievances about physical and economic displacement and other project impacts, paying particular attention to the impacts on vulnerable groups. The grievance redress mechanism should be scaled to the risks and adverse impacts of the project.

It should address affected persons' concerns and complaints promptly, using an understandable and transparent process that is gender responsive, culturally appropriate, and readily accessible to the affected persons at no costs and without retribution. The mechanism should not impede access to the country's judicial or administrative remedies. The borrower/client will inform affected persons about the mechanism.

### **3.9 Monitoring and Reporting**

The borrower/client will monitor and measure the progress of implementation of the resettlement plan. The extent of monitoring activities will be commensurate with the project's risks and impacts. In addition to recording the progress in compensation payment and other resettlement activities, the borrower/client will prepare monitoring reports to ensure that the implementation of the resettlement plan has produced the desired outcomes. For projects with significant involuntary resettlement impacts, the borrower/client will retain qualified and experienced external experts or qualified NGOs to verify the borrower's/client's monitoring information. The external experts engaged by the borrower/client will advise on safeguard compliance issues, and if

any significant involuntary resettlement issues are identified, a corrective action plan will be prepared to address such issues. Until such planning documents are formulated, disclosed and approved, the borrower/client will not proceed with implementing the specific project components for which involuntary resettlement impacts are identified.

The borrower/client will prepare semi-annual monitoring reports that describe the progress of the implementation of resettlement activities and any compliance issues and corrective actions. These reports will closely follow the involuntary resettlement monitoring indicators agreed at the time of resettlement plan approval. The costs of internal and external resettlement monitoring requirements will be included in the project budget.

### 3.10 Indigenous Peoples

Where initial Screening indicates potential impacts on indigenous peoples, the ESIA should include (at minimum) assessment of:

- Demographic, social, economic and cultural information on indigenous communities, including any indigenous peoples living in voluntary isolation
- Maps showing the location of indigenous peoples in relation to the project area. Customary rights and claims to lands, territories and resources in (or potentially impacted by) the project area, and the status of recognition of these rights and claims under national legislation and administrative practices
- Participatory and consultation processes preferred by or appropriate for affected communities, to inform a framework for on-going project consultation and participation.
- Traditional systems of production (food, medicine, artefacts), including gender roles in such systems;
- Local knowledge relevant for the proposed project, and how it may be affected and used during project implementation
- More in-depth analysis of possible – positive and negative - impacts on rights to lands, territories and resources, including continued customary use of biological resources;
  - Exercise of customary laws and resource management practices;
  - Rights to development
  - Respect, preservation, protection and maintenance of traditional knowledge, innovations and practices;
  - Sacred sites and associated ritual or ceremonial activities.

The borrower/client will explore to the maximum extent possible alternative project designs to avoid physical relocation of Indigenous Peoples that will result in adverse impacts on their identity, culture, and customary livelihoods. If avoidance is impossible, in consultation with EIF, a combined Indigenous Peoples plan and resettlement plan could be formulated to address both involuntary resettlement and Indigenous Peoples issues.

ANNEX TO APPENDIX 2: OUTLINE OF THE RESETTLEMENT PLAN

This outline is part of the Safeguard Requirements 2. A resettlement plan is required for all projects with involuntary resettlement impacts. Its level of detail and comprehensiveness is commensurate with the significance of potential involuntary resettlement impacts and risks. The substantive aspects of the outline will guide the preparation of the resettlement plans, although not necessarily in the order shown.

#### A. Executive Summary

This section provides a concise statement of project scope, key survey findings, entitlements and recommended actions.

#### B. Project Description

This section provides a general description of the project, discusses project components that result in land acquisition, involuntary resettlement, or both and identify the project area. It also describes the alternatives considered to avoid or minimize resettlement. Include a table with quantified data and provide a rationale for the final decision.

#### C. Scope of Land Acquisition and Resettlement

This section:

- (i) discusses the project's potential impacts, and includes maps of the areas or zone of impact of project components or activities;
- (ii) describes the scope of land acquisition (provide maps) and explains why it is necessary for the main investment project;
- (iii) summarizes the key effects in terms of assets acquired and displaced persons; and
- (iv) provides details of any common property resources that will be acquired.

#### D. Socioeconomic Information and Profile

This section outlines the results of the social impact assessment, the census survey, and other studies, with information and/or data disaggregated by gender, vulnerability, and other social groupings, including:

- (i) define, identify, and enumerate the people and communities to be affected;
- (ii) describe the likely impacts of land and asset acquisition on the people and communities affected taking social, cultural, and economic parameters into account;
- (iii) discuss the project's impacts on the poor, indigenous and/or ethnic minorities, and other vulnerable groups; and
- (iv) identify gender and resettlement impacts, and the socioeconomic situation, impacts, needs, and priorities of women.

#### E. Information Disclosure, Consultation, and Participation

**This section:**

- (i) **identifies project stakeholders, especially primary stakeholders;**
- (ii) describes the consultation and participation mechanisms to be used during the different stages of the project cycle;
- (iii) describes the activities undertaken to disseminate project and resettlement information during project design and preparation for engaging stakeholders;
- (iv) summarizes the results of consultations with affected persons (including host communities), and discusses how concerns raised and recommendations made were addressed in the resettlement plan;
- (v) confirms disclosure of the draft resettlement plan to affected persons and includes arrangements to disclose any subsequent plans; and
- (vi) describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for consultation with affected persons during project implementation

#### F. Grievance Redress Mechanisms

This section describes mechanisms to receive and facilitate the resolution of affected persons' concerns and grievances. It explains how the procedures are accessible to affected persons and gender sensitive.

#### G. Legal Framework

This section:

- (i) describes national and local laws and regulations that apply to the project and identify gaps between Namibian laws and EIF policy requirements; and discuss how any gaps will be addressed.
- (ii) describes the legal and policy commitments from the executing agency for all types of displaced persons;
- (iii) outlines the principles and methodologies used for determining valuations and compensation rates at replacement cost for assets, incomes, and livelihoods; and set out the compensation and assistance eligibility criteria and how and when compensation and assistance will be provided.
- (iv) describes the land acquisition process and prepare a schedule for meeting key procedural requirements.

#### H. Entitlements, Assistance and Benefits

This section:

- (i) defines displaced persons' entitlements and eligibility, and describes all resettlement assistance measures (includes an entitlement matrix);
- (ii) specifies all assistance to vulnerable groups, including women, and other special groups; and.
- (iii) outlines opportunities for affected persons to derive appropriate development benefits from the project.



## I. Relocation of Housing and Settlements

This section:

- (i) describes options for relocating housing and other structures, including replacement housing, replacement cash compensation, and/or self-selection (ensure that gender concerns and support to vulnerable groups are identified);
- (ii) describes alternative relocation sites considered; community consultations conducted; and justification for selected sites, including details about location, environmental assessment of sites, and development needs;
- (iii) provides timetables for site preparation and transfer
- (iv) describes the legal arrangements to regularize tenure and transfer titles to resettled persons;
- (v) (outlines measures to assist displaced persons with their transfer and establishment at new sites;
- (vi) describes plans to provide civic infrastructure; and
- (vii) explains how integration with host populations will be carried out.

## J. Income Restoration and Rehabilitation

This section:

- (i) identifies livelihood risks and prepare disaggregated tables based on demographic data and livelihood sources;
- (ii) describes income restoration programs, including multiple options for restoring all types of livelihoods (examples include project benefit sharing, revenue sharing arrangements, joint stock for equity contributions such as land, discuss sustainability and safety nets);
- (iii) outlines measures to provide social safety net through social insurance and/or project special funds;
- (iv) describes special measures to support vulnerable groups;
- (v) explains gender considerations; and
- (vi) describes training programs.

## K. Resettlement Budget and Financing Plan

This section:

- (i) provides an itemized budget for all resettlement activities, including for the resettlement unit, staff training, monitoring and evaluation, and preparation of resettlement plans during loan implementation.
- (ii) describes the flow of funds (the annual resettlement budget should show the budget-scheduled expenditure for key items).

- (iii) includes a justification for all assumptions made in calculating compensation rates and other cost estimates (taking into account both physical and cost contingencies), plus replacement costs.
- (iv) includes information about the source of funding for the resettlement plan budget.

#### **L. Institutional Arrangements**

This section:

- (i) describes institutional arrangement responsibilities and mechanisms for carrying out the measures of the resettlement plan;
- (ii) includes institutional capacity building program, including technical assistance, if required;
- (iii) describes role of NGOs, if involved, and organizations of affected persons in resettlement planning and management; and
- (iv) describes how women's groups will be involved in resettlement planning and management,

#### **M. Implementation Schedule**

This section includes a detailed, time bound, implementation schedule for all key resettlement and rehabilitation activities. The implementation schedule should cover all aspects of resettlement activities synchronized with the project schedule of civil works construction, and provide land acquisition process and timeline.

#### **N. Monitoring and Reporting**

This section describes the mechanisms and benchmarks appropriate to the project for monitoring and evaluating the implementation of the resettlement plan. It specifies arrangements for participation of affected persons in the monitoring process. This section will also describe reporting procedures.

## **APPENDIX 3: SAFEGUARD REQUIREMENTS: INDIGENOUS PEOPLES**

### **1. Introduction**

The EIF recognizes the rights of Indigenous Peoples to direct the course of their own development. Indigenous Peoples do not automatically benefit from development, which is often planned and implemented. Special efforts are needed to engage Indigenous Peoples in the planning of development programs that affect them, in particular, development programs that are supposedly designed to meet their specific needs and aspirations. Indigenous Peoples are increasingly threatened as development programs infringe into areas that they traditionally own, occupy, use, or view as ancestral domain. The definition of indigenous people shall be consistent with the laws and regulations of the Republic of Namibia.

Safeguard Requirements 3 outlines the requirements that borrowers/clients are required to meet in delivering Indigenous Peoples safeguards to projects supported by the Fund. It discusses the objectives and scope of application, and underscores the requirements pertaining to (i) undertaking the social impact assessment and planning process; (ii) preparing social impact assessment reports and planning documents; (iii) disclosing information and undertaking consultation, including ascertaining consent of affected Indigenous Peoples community to selected project activities; (iv) establishing a grievance mechanism; and (v) monitoring and reporting. This set of policy requirements will safeguard Indigenous Peoples' rights to maintain, sustain, and preserve their cultural identities, practices, and habitats and to ensure that projects affecting them will take the necessary measures to protect these rights.

### **2. Objectives**

The objective is to design and implement projects in a way that fosters full respect for Indigenous Peoples' identity, dignity, human rights, livelihood systems, and cultural uniqueness as defined by the Indigenous Peoples themselves so that they (i) receive culturally appropriate social and economic benefits, (ii) do not suffer adverse impacts as a result of projects, and (iii) can participate actively in projects that affect them.

### **3. Scope of Application**

4. The requirements apply to all EIF-financed and/or EIF-administered projects, and their components regardless of the source of financing, including investment projects funded by a loan; and/or a grant; and/or other means, such as equity and/or guarantees (hereafter broadly referred to as projects).

6. For operational purposes, the term Indigenous Peoples is used in a generic sense to refer to a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees:

## **4. General Requirements**

### **4.1 Consultations and Participation**

The borrower/client will undertake meaningful consultation with affected Indigenous Peoples to ensure their informed participation in (i) designing, implementing, and monitoring measures to avoid adverse impacts on them or, when avoidance is not possible, to minimize, mitigate, and compensate for such effects; and (ii) tailoring project benefits that accrue to them in a culturally appropriate manner. Meaningful consultation is a process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues. Consultation will be carried out in a manner commensurate with the impacts on affected communities. The consultation process and its results will be documented and reflected in the Indigenous Peoples plan (IPP).

### **4.2 Social Impact Assessment**

When screening by EIF confirms likely impacts on Indigenous Peoples, the borrower/client will retain qualified and experienced experts to carry out a full social impact assessment (SIA), and if impacts on Indigenous Peoples are identified, the borrower/client will prepare an IPP in conjunction with the feasibility study. The project's potential social impacts and risks will be assessed against the requirements presented in this document and applicable laws and regulations of the jurisdictions in which the project operates that pertain to Indigenous Peoples matters, including host country obligations under international law.

The level of detail and comprehensiveness of the SIA will be proportional to the complexity of the proposed project and commensurate with the nature and scale of the proposed project's potential effects on Indigenous Peoples, whether positive or negative.

### **4.3 Indigenous Peoples Planning**

If the screening and SIA indicate that the proposed project will have impacts, positive and/or negative, on Indigenous Peoples, the borrower/client will prepare an IPP in the context of the SIA and through meaningful consultation with the affected Indigenous Peoples communities.

The IPP will set out the measures whereby the borrower/client will ensure (i) that affected Indigenous Peoples receive culturally appropriate social and economic benefits; and (ii) that when potential adverse impacts on Indigenous Peoples are identified, these will be avoided to the maximum extent possible. Where this avoidance is proven to be impossible, based on meaningful consultation with



indigenous communities, the IPP will outline measures to minimize, mitigate, and compensate for the adverse impacts. The level of detail and comprehensiveness of IPPs (annex to this appendix) will vary depending on the specific project and the nature of impacts to be addressed. The borrower/client will integrate the elements of the IPP into the project's design.

The borrower/client will update the IPP following the completion of detailed engineering design and detailed measurement surveys. The updated IPP will closely follow the award of contract packages and the implementation time schedules of each project component or subproject. Mitigating measures to avoid adverse impacts on Indigenous Peoples and measures to enhance culturally appropriate development benefits will be adjusted, but the agreed outcomes as specified in the draft IPP will not be lowered or minimized. If new groups of

The borrower/client will use qualified and experienced experts to prepare the social impact assessment and IPP. For highly complex and sensitive projects, independent advisory panels of experts not affiliated with the project will be used during project preparation and implementation. Any highly complex and sensitive projects affecting Indigenous Peoples will require an Indigenous Peoples expert on the advisory panel.

#### **4.4 Information Disclosure**

20. The borrower/client will submit to EIF the following documents to disclose on EIF's website:

(i) a draft IPP and/or Indigenous Peoples planning framework, including the social impact assessment, endorsed by the borrower/client, before appraisal; (ii) the final IPP upon completion; (iii) a new or updated IPP and a corrective action plan prepared during implementation, if any; and (iv) the monitoring reports. The borrower/client will provide relevant information, including information from the above documents in a timely manner, in an accessible place and in a form and language(s) understandable to the affected Indigenous Peoples and other stakeholders. If the Indigenous Peoples are illiterate, other appropriate communication methods will be used.

#### **4.5 Grievance Redress Mechanism**

The borrower/client will establish a mechanism to receive and facilitate resolution of the affected Indigenous Peoples communities' concerns, complaints, and grievances. The grievance mechanism will be scaled to the impacts of the project. It should address concerns and complaints promptly, using an understandable and transparent process that is culturally appropriate, gender responsive, and accessible to the affected Indigenous Peoples communities at no cost and without retribution. The mechanism should not impede access to the country's judicial or administrative remedies. The affected Indigenous Peoples communities will be appropriately informed about the mechanism.

#### 4.6 Monitoring and Reporting

23. The borrower/client will monitor and measure the progress of implementation of the IPP. The extent of monitoring activities will be commensurate with the project's risks and impacts. In addition to recording information to track performance, the borrower/client should use dynamic mechanisms, such as inspections and audits, to verify compliance with requirements toward achieving the desired outcomes. For projects with significant adverse impacts on Indigenous Peoples, the borrower/client will retain qualified and experienced external experts or qualified NGOs to verify monitoring information. The external experts engaged by the borrower/client will advise on compliance issues, and if any significant Indigenous Peoples issues are found, the borrower/client will prepare a corrective action plan or an update to the approved IPP. The borrower/client will implement the corrective actions and follow up on these actions to ensure their effectiveness.

If unanticipated impacts on Indigenous Peoples become apparent during project implementation, such as a change in the project's footprint, the borrower/client will carry out a social impact assessment and update the IPP or formulate a new IPP covering all applicable requirements specified in this document.

#### 5. Special Requirements

##### 1. Ancestral Domains and Lands and Related Natural Resources

Indigenous Peoples are closely tied to land, forests, water, wildlife, and other natural resources, and therefore special considerations apply if the project affects such ties. In this situation, when carrying out the social impact assessment and preparing the IPP, the borrower/client will pay particular attention to the following:

- (i) the customary rights of the Indigenous Peoples, both individual and collective, pertaining to ancestral domains, lands, or territories that they traditionally own or customarily use or occupy, and where access to natural resources is vital to the sustainability of their cultures and livelihood systems;
- (ii) the need to protect such ancestral domains, lands, and resources against illegal intrusion or encroachment;
- (iii) the cultural and spiritual values that the Indigenous Peoples attribute to such lands and resources;
- (iv) the Indigenous Peoples' natural resources management practices and the long term sustainability of such practices; and
- (v) the need to rehabilitate the livelihood systems of Indigenous Peoples who have been evicted from their lands.

If the project involves activities that are contingent on establishing legally recognized rights to lands and territories that Indigenous Peoples have traditionally owned or customarily used or occupied, such as land titling projects, or the acquisition of such lands, the borrower/client will integrate an action plan for the legal recognition of customary rights to such lands, territories, and ancestral domains in the IPP. The action plan is normally carried out before project implementation, but in some cases

it may need to be formulated concurrently with the project itself. Such legal recognition may take the following forms:

## 2. Consent of Affected Indigenous Peoples Communities

Indigenous Peoples may be particularly vulnerable when project activities include (i) commercial development of the cultural resources and knowledge of Indigenous Peoples; (ii) physical displacement from traditional or customary lands; and (iii) commercial development of natural resources within customary lands under use that would impact the livelihoods or the cultural, ceremonial, or spiritual uses that define the identity and community of Indigenous Peoples. In deciding whether to proceed with a project involving such project activities, the borrower/client will seek the consent of affected Indigenous Peoples communities.

Where broad community support has been ascertained, the borrower/client will provide documentation that details the process and outcomes of consultations with Indigenous Peoples and Indigenous Peoples' organizations, including (i) the findings of the SIA; (ii) the process of meaningful consultation with the affected Indigenous Peoples communities; (iii) the additional measures, including project design modification, that may be required to address adverse impacts on the Indigenous Peoples and to provide them with culturally appropriate project benefits; (iv) the recommendations for meaningful consultation with and participation by Indigenous Peoples communities during project implementation, monitoring, and evaluation; and (v) the content of any formal agreements reached with Indigenous Peoples communities and/or Indigenous Peoples' organizations. The borrower/client will submit documentation of the engagement process to EIF for review and for EIF's own investigation to assure itself of the existence of broad community support for the project activities. EIF will not finance the project if such support does not exist.

## ANNEX TO APPENDIX 3: OUTLINE OF AN INDIGENOUS PEOPLES PLAN

This outline is part of the Safeguard Requirements 3. An Indigenous Peoples plan (IPP) is required for all projects with impacts on Indigenous Peoples. Its level of detail and comprehensiveness is commensurate with the significance of potential impacts on Indigenous Peoples. The substantive aspects of this outline will guide the preparation of IPPs, although not necessarily in the order shown.

### **1. Executive Summary of the Indigenous Peoples Plan**

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

### **2. Description of the Project**

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

### **3. Social Impact Assessment**

This section:

- (i) reviews the legal and institutional framework applicable to Indigenous Peoples in project context.
- (ii) provides baseline information on the demographic, social, cultural, and political characteristics of the affected Indigenous Peoples communities; the land and territories that they have traditionally owned or customarily used or occupied; and the natural resources on which they depend.
- (iii) identifies key project stakeholders and elaborate a culturally appropriate and gender-sensitive process for meaningful consultation with Indigenous Peoples at each stage of project preparation and implementation, taking the review and baseline information into account.
- (iv) assesses, based on meaningful consultation with the affected Indigenous Peoples communities, the potential adverse and positive effects of the project. Critical to the determination of potential adverse impacts is a gender-sensitive analysis of the relative vulnerability of, and risks to, the affected Indigenous Peoples communities given their particular circumstances and close ties to land and natural resources, as well as their lack of access to opportunities relative to those available to other social groups in the communities, regions, or national societies in which they live.
- (v) includes a gender-sensitive assessment of the affected Indigenous Peoples' perceptions about the project and its impact on their social, economic, and cultural status.

### **4. Information Disclosures, Consultation and Participation**

This section:



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

### **5. Beneficial Measures**

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

### **6. Mitigative Measures**

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

### **7. Capacity Building**

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

### **8. Grievance Redress Mechanism**

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

### **9. Monitoring, Reporting and Evaluation**

This section describes the mechanisms and benchmarks appropriate to the project for monitoring, and evaluating the implementation of the IPP. It also specifies arrangements for participation of affected Indigenous Peoples in the preparation and validation of monitoring, and evaluation reports. Annex to Appendix 3 65