

ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT GOOD PRACTICE

GOOD PRACTICE ELEMENT	DESCRIPTION
Preliminary ESIA Planning	<i>This phase applies to determining key issues associated with the project and how the ESIA should be conducted</i>
Identification of major ESIA issues	Major environmental and social issues associated with the project should be identified through expert opinion of the project team and consultation with affected stakeholders.
Screening	Categorization of the project should be undertaken depending on the expected severity of project impacts, which determine the level of environmental and social impacts. Categories (ABC) should be established as per WB and ADB process.
Stakeholder consultation and community engagement	Discussion should be held with key stakeholders to determine potential concerns and issues associated with the project. These discussions should be held as early as possible in the project cycle and through the life of the project.
Drafting ESIA terms of reference (TOR)	The TOR provides a guide as to how the environmental and social assessment should be conducted and the level of detail that is required. Normally the TOR is prepared by the responsible environmental authority. In some cases the TOR may be circulated in draft form for public review and comment before being defined.
Defining ESIA table of contents	An ESIA table of contents should be defined based on the project issues and in response to the ESIA terms of reference.
Conducting ESIA Activities	<i>This phase applies to how the ESIA should be carried out</i>
Identification of project area of influence	The project area of influence is defined through consideration of the project footprint including all ancillary project components and also considering project impacts on various environmental and social components. A number of project areas of influence may result but is best to amalgamate them into an overall project area of influence. In addition to the area of geographical or spatial influence, temporal influence should also be determined. A geographical information system is a useful tool for this purpose.
Legal and regulatory framework	The national legal and institutional framework applicable to the project should be defined. This should also include any additional lender requirements (WB, ADB) and any international agreements or conventions that may also apply.

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Project description	A project description should be provided as early as possible that describes all project activities that could impact on environmental and social components within the project area of influence. Ideally the project description should be prepared by the project front end engineering team in association with the ESIA team. It should consider all project phases from pre-construction, construction, operation and decommissioning. The project description should be as detailed as possible in order to identify the environmental aspects resulting from project activities.
Analysis of alternatives	An analysis of alternatives to the project should be included including alternatives within project design. This should also include the 'no-action' or 'no-go' alternative to the project.
Baseline data collection	Baseline data collection refers to the collection of background data in support of the environmental assessment. Ideally baseline data should be collected prior to development of the project, but often this is not possible. Baseline data collection can also occur throughout the life of the project as part of ongoing monitoring of environmental and social conditions.
Identification of project impacts	As per ISO 14001, an environmental impact is a change to the environment, either positive or negative caused by an environmental aspect. An environmental aspect is a feature or characteristic of an activity, product or service that affects or can affect the environment. An EIA or an ESIA is an assessment of possible positive or negative impacts of a proposed project on the environment, which environmental, social and economic components. The identification of project impacts involves identification of environmental aspects and then determining whether they cause an impact on environmental, social and economic components.
Direct and indirect impacts	A direct impact, or first order impact, is any change to the environment, whether adverse or beneficial, wholly or partially, resulting directly from an environmental aspect. An indirect impact may affect an environmental, social or economic component through a second order impact resulting from a direct impact. For example, removal of vegetation may lead to increased soil erosion (direct impact) which causes an indirect impact on aquatic ecosystems through sedimentation.

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Evaluation of impact significance	<p>The determination of impact significance involves making a judgment about the importance of project impacts. This is typically done at two levels:</p> <ul style="list-style-type: none"> • The significance of project impacts without mitigation measures • The significance of project impacts following the implementation of mitigation measures, or residual impact. An impact is significant if it is: <ul style="list-style-type: none"> • Adverse • Long lasting or frequent • Occurs over a wide geographical area • Likely, or probable, to occur • Irreversible • Affects socio-economic and environmental sustainability • Associated with variables of societal importance and public concern • Is out of compliance with laws or regulations • Exceeds a threshold or desired level of change • Associated with a cumulative effect or impact
Impact characteristics	<p>Impacts are characterized according to their degree of significance as follows:</p> <ul style="list-style-type: none"> • Major • Moderate • Minor • Negligible <p>The major characteristics of impacts are:</p> <ul style="list-style-type: none"> • Magnitude - the level of change as a result of the impact • Duration and frequency - how long the impact will last - short term (1-5 years), medium term (6-15 years) and long term (more than 15 years) • Spatial extent - whether is local or wide ranging (regional)

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	<ul style="list-style-type: none"> • Reversibility - Irreversible impacts are considered more significant
Impact characteristics (Cont'd)	<ul style="list-style-type: none"> • Probability - the probability the impact will occur and the scientific certainty that it is likely <p>Other impact characteristics may be included in the decision. The determination of impact significance is usually done subjectively, or quantitatively using a scoring system, which may or may not have weighted values.</p>
Impact mitigation	<p>Mitigation measures are actions taken to avoid or minimize negative environmental or social impacts. The mitigation hierarchy should be followed: avoid, minimize, restore or remedy, offset, compensate. Mitigation measures should be clearly identified and linked to environmental and social management plans.</p>
Monitoring and follow-up	<p>Once the ESIA has been completed, monitoring and follow-up actions should be completed to:</p> <ul style="list-style-type: none"> • Continue the collection of baseline data throughout construction, operation and later decommissioning • Evaluate the success of mitigation measures, or compliance with project standards or requirements • Assess whether there are impacts occurring that were not previously predicted • In some cases, it may be appropriate to involve local communities in monitoring efforts through participatory monitoring. In all cases, the collection of monitoring data and the dissemination of monitoring results should be transparent and made available to interested project stakeholders.
Environment and Social Management Plans	<p><i>This phase refers to the implementation of environmental and social mitigation and management actions arising from the ESIA and usually described in a separate document</i></p>
Relationship to project impacts and mitigation	<p>Environmental and social management plans should ensure that every management action is linked to a mitigation measures and associated impact.</p>
Contractor environmental and social management plans	<p>Construction contractors should be required to prepare their own specific environmental and social management plans and these should form part of contract provisions. The contractor management plans are based on the ESIA management plans and show how contractors will comply with ESIA requirements.</p>

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ESMP supervision	<p>Supervision is a process to ensure project-related construction activities are completed in compliance with host country regulations and provisions of the ESMP. Various levels of supervision of the ESMP should be contemplated including the following (i) contractor, (ii) client or proponent, (iii) lender, (iv) independent environmental consultant.</p>
ESMP organization	<p>An ESMP may include multiple plans or separate plans may be prepared. At a minimum, an ESMP should include a discussion of the following:</p> <ul style="list-style-type: none"> • Project description - summary • Key project related environmental and social impacts and mitigation measures • Organizational structure of ESMP implementation including roles and responsibilities for implementing organizations • Supervision • Monitoring • Plan disclosure and communications • Training and capacity building • Plan review and updates • ESMP timeline and implementation • ESMP costs • Appendices
ESMP content and structure	<p>Environmental and management plans differ from project to project depending upon the environmental and social setting of the project and its associated impacts and mitigation measures. ESMPs can be single documents or a series of specific management plans. Typical ESMPs are:</p> <ul style="list-style-type: none"> • Construction Environmental and Social Management Plan • Ecological/Biodiversity Management Plan • Air Emissions Management Plan • Noise and Vibration Management Plan

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	<ul style="list-style-type: none"> • Waste Management Plan
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ESMP content and structure (Cont'd)	<ul style="list-style-type: none"> • Water Management Plan • Spill Prevention and Response Plan • Erosion and Sediment Control Plan • Reinstatement and Reclamation Plan • Invasive Species and Pest Management Plan • Land Acquisition and Resettlement Action Plan • Community Health and Safety Management Plan • Procurement and Supply Management Plan • Labor and Worker Conditions Management Plan • Camp Management Plan • Stakeholder Consultation and Engagement Plan • Cultural Heritage Management Plan • Environmental Monitoring Plan
ESMP timeline and costs	The costs of each ESMP component should be defined and an overall timeline of ESMP implementation should be prepared.
ESMP reporting and review	The implementation of the ESMP should be reviewed on a defined and regular basis the frequency of which should be dependent on project activity. In addition to these audits, the overall ESMP should be reviewed at least annually, following an incident or significant non-compliance or following a significant change to the ESMP. Additionally, the results of the review should be communicated to project stakeholders.
Stakeholder consultation and community engagement	<p>Public involvement is the term used for a spectrum of approaches that can help mitigate misunderstanding or disagreements with stakeholders. It gives stakeholders the opportunity to participate in and possibly have increasing levels of influence over business activities that may affect them. Core values of public participation are as follows:</p> <ul style="list-style-type: none"> • Public participation is based on the belief that those who are affected by a decision have a

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	<p>right to be involved in the decision-making process.</p> <ul style="list-style-type: none"> Public participation includes the promise that the public's contribution will influence the decision.
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Stakeholder consultation and community engagement (Cont'd)	<ul style="list-style-type: none"> Public participation promotes sustainable decisions by recognizing and communicating the needs and interests of all participants, including decision makers. Public participation seeks out and facilitates the involvement of those potentially affected by or interested in a decision. Public participation seeks input from participants in designing how they participate. Public participation provides participants with the information they need to participate in a meaningful way. Public participation communicates to participants how their input affected the decision
Special Issues	<i>This refers to special issues in ESIA that require specific actions</i>
Valued social and environmental components (VEC)	A VEC is defined as "Any part of the environment that is considered important by the proponent, public, scientists and government involved in the assessment process." Importance may be determined on the basis of cultural values or scientific concern.
Indigenous peoples and ethnic minorities	<p>IFC Performance Standard 7 states that Indigenous Peoples, as social groups with identities that are distinct from mainstream groups in national societies, are often among the most marginalized and vulnerable segments of the population. In many cases, their economic, social, and legal status limits their capacity to defend their rights to, and interests in, lands and natural and cultural resources, and may restrict their ability to participate in and benefit from development. Indigenous Peoples are particularly vulnerable if their lands and resources are transformed, encroached upon, or significantly degraded. Their languages, cultures, religions, spiritual beliefs, and institutions may also come under threat. As a consequence, Indigenous Peoples may be more vulnerable to the adverse impacts associated with project development than non-indigenous communities. This vulnerability may include loss of identity, culture, and natural resource-based livelihoods, as well as exposure to impoverishment and diseases.</p> <p>The World Bank Safeguard Policy 4.10 underscores the need for Borrowers and Bank staff to identify indigenous peoples, consult with them, ensure that they participate in, and benefit from</p>

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	Bank-funded operations in a culturally appropriate way - and that adverse impacts on them are avoided, or where not feasible, minimized or mitigated.
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Indigenous peoples and ethnic minorities (Cont'd)	<p>IFC Performance Standard 7 defines indigenous peoples in a generic sense to refer to a distinct social and cultural group possessing the following characteristics:</p> <ul style="list-style-type: none"> • Self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; • Collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; • Customary cultural, economic, social, or political institutions that are separate from those of the mainstream society or culture; or • A distinct language or dialect, often different from the official language or languages of the country or region in which they reside. <p>When considering project impacts on indigenous peoples, the following should be considered:</p> <ul style="list-style-type: none"> • Adverse impacts on indigenous peoples should be avoided • Undertake a comprehensive engagement process throughout the project to maximize participation and consent • Recognize where Free Prior and Informed Consent may be required (FPIC) • Ensure mitigation and development benefits accrue as a result of the project
Worker and supply chain issues	<p>Good ESIA practice should include identifying and mitigating issues associated with worker standards and supply chain relationships. IFC Performance Standards provides guidance on these issues specifically the following:</p> <ul style="list-style-type: none"> • Working conditions and terms of employment • Workers organizations • Retrenchment • Grievances • Child labor and forced labor • Workers engaged by third parties • Occupational health and safety

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	<ul style="list-style-type: none"> Supply chain issues involving child labor, forced labor and safety
Resettlement and land acquisition	<p>Project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons that use this land. Involuntary resettlement refers both to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood) as a result of project-related land acquisition and/or restrictions on land use. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement. This occurs in cases of (i) lawful expropriation or temporary or permanent restrictions on land use and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail. (IFC Performance Standard 5). A Resettlement Action Plan or a Livelihood Restoration Plan should be implemented in the event of involuntary resettlement.</p>
Direct, indirect and induced impacts	<p>Direct impacts are caused directly by environmental aspects or project actions and activities. They are also called first order impacts. Indirect impacts are impacts on environmental and social resources. Induced impacts are impacts resulting indirectly as a result of the project (e.g., in-migration).</p>
Cumulative effects	<p>Cumulative effects (or impact) are changes to the environment that are caused by an action in combination with other past, present and future human actions. The assessment of these effects is called a cumulative effects assessment (CEA) or cumulative impact assessment (CIA).</p>
Strategic environmental assessment	<p>SEA is "a systematic process for evaluating the environmental consequences of proposed policy, plan or program initiatives in order to ensure they are fully included and appropriately addressed at the earliest appropriate stage of decision making on par with economic and social considerations." Simply put SEA is EIA applied to the policy, plan and program level recognizing that the assessment of impacts at a strategic level is different from what is done at a project level. SEA is a useful assessment tool early on in the planning process before project level commitments have been made.</p>
Sectoral assessment	<p>An assessment of environmental and social impacts of a particular sector e.g. energy sector, forestry sector, power sector.</p>

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Regional strategic environmental assessment	Regional SEA is a form of SEA at a regional level and is a process designed to systematically assess the potential environmental effects, including cumulative effects, of alternative strategic initiatives, policies, plans, or programs for a particular region.
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Biodiversity and ecosystem services	Biodiversity includes plants, animals and other organisms and is defined in the Convention on Biological Diversity (CBD) as the variability among organisms from all sources including terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; it includes diversity within species, between species and of ecosystems. Ecosystem services are the goods and services that biodiversity provides. They include soil formation, the provision of food and fibre, air quality and climate regulation, the regulation of water supply and quality and the cultural and aesthetic value of certain plants and species.
Climate change, adaption and disasters	Good ESIA practice should also include the assessment of the project on climate change and also the impact of climate change on the project. Disasters (both natural and man-made) and the management of disaster related risk should be included in ESIA to ensure that they are considered at the earliest stage possible.
Health impact assessment	Health impact assessment is an emerging ESIA practice and is a means of assessing the health impacts of policies, plans and projects in diverse economic sectors using quantitative, qualitative and participatory techniques.
ESIA Organization and Management	<i>This phase deals with issues associated with completing ESIA and how they should be managed</i>
Contracting ESIA services	When contracting ESIA services, the client should consider the following: <ul style="list-style-type: none"> • Whether the consultant is officially registered to do ESIA work • Experience of the consultant in ESIA • Discipline expertise of the consultant • Familiarity with national law and regulations • Familiarity with IFI ESIA requirements • Local experience of the consultant • Complexity of the ESIA (is specialized assistance needed)

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	<p>ESIA services can be contracted early on during the project feasibility stage or after the project feasibility stage has concluded. It is recommended that early consideration of project impacts be conducted either through ESIA or at least a screening of key environmental and social issues.</p>
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Institutional capacity	The institutional capacity of governments in understanding and applying environmental assessment is an important issue in the timely and effective review of environmental and social impact assessment reports.
Sponsor commitment and oversight	Larger projects require that the sponsor create open communication across all participating contractors and subcontractors. Daily reports, weekly summaries and monthly highlights across all environmental and social issues are necessary. Specific contract obligations for EHS oversight need to be clearly delineated including inspection procedures, experience of contractors, and specific terms of reference, reporting mandates and formats and notification of non-compliance. Remedial action and action plans are to be defined at the outset and continued throughout the construction and operational phases.
Externalities	Often in the life cycle of a project, specific issues and external parties become a focus of attention. Sometimes an individual or group of individuals have a particular concern or vested interest in the project or its outcomes and influence other stakeholders. Both environmental and social issues, especially when controversial in high profile, high risk projects, become a magnet for local and/or international NGOs and their campaigns. Hidden agendas across politicians and other decision makers sometimes result in “road blocks” effectively stalling progress.
Communication strategy	<p>In addition to stakeholder consultation and engagement, best ESIA practice also dictates that disclosure of the ESIA should be done on a transparent and frequent basis to fully inform stakeholders about the project including:</p> <ul style="list-style-type: none"> • Timing and extent of project activities • Anticipated project impacts and mitigation measures • ESMP implementation • Updates on project progress • Incorporation of feedback <p>Normally the communication strategy should be internal to the organization and external to the organization.</p>

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Third party monitoring	Third party monitoring involves the hiring of external consultants to assess the compliance of mitigation and management actions.
Independent Panel of Expert requirements	<p>An independent panel of experts provides impartial and independent advice to the borrower/proponent or the lender/IFI on aspects of environmental and social issues associated with a loan and project. Typically these projects are large scale such as extractive industry or energy projects. An independent panel of experts should be established for all Category A projects. The independent panels of experts are advisory in nature and their findings are in the form of recommendations and usually non-binding. The Independent Panel of Experts is one of a series of monitoring layers and should not be used to conduct regular monitoring of project level environmental and social impacts. The success of independent panels can be increased through establishing dialogue with affected communities and ensuring that any recommendations are acted on by project proponents or lenders. Requirements for an effective panel of experts include the following:</p> <ul style="list-style-type: none"> • Independence and impartiality • Transparency • Knowledgeable of project area • Dissemination of results to stakeholders and communities • Free of influence from lender or borrower • Operating through construction into operation