

**JAPAN BANK FOR INTERNATIONAL COOPERATION**  
**GUIDELINES FOR CONFIRMATION OF**  
**ENVIRONMENTAL AND SOCIAL CONSIDERATIONS**

**APRIL 2002**

**JAPAN BANK FOR INTERNATIONAL COOPERATION**

## **Preface**

Japan Bank for International Cooperation (hereinafter referred to as “JBIC”) establishes and makes public “JBIC Guidelines for Confirmation of Environmental and Social Considerations” (hereinafter referred to as the “Guidelines”) with the objective of contributing to efforts by the international community, particularly developing regions, towards sustainable development, through consideration of the environmental and social aspects in all projects (hereinafter referred to as “project” or “projects”) subject to lending or other financial operations (hereinafter collectively referred to as “funding”) by JBIC. Environmental and social considerations refer not only to the natural environment, but also to social issues such as involuntary resettlement and respect for the human rights of indigenous peoples (hereinafter collectively referred to as “environment”). The Guidelines apply commonly to JBIC’s International Financial Operations and Overseas Economic Cooperation Operations.

The Guidelines have been formulated on the basis of Japan’s approach to international co-operation in environmental conservation, discussions about the international framework on environmental and social considerations and human rights, and discussions held at the Organisation for Economic Co-Operation and Development (OECD) regarding common approaches to the environment and public export credits, which requires consistency between public export credit policies and environmental conservation policies, and also regarding good environmental practices of the Development Assistance Committee (DAC) and other issues. The Guidelines will be reviewed as necessary in future, taking into account future progress made in these areas.

While encouraging appropriate consideration of the environment and social aspects in projects subject to funding, it is JBIC’s policy to provide active support to projects that promote environmental conservation and to projects that contribute to the protection of the global environment, such as projects to reduce greenhouse gas emissions. JBIC also has a policy of being actively involved in the support of enhancing environmental and social considerations in developing countries.

## GUIDELINES

### Contents

### Page

#### Part 1

1. JBIC's Basic Policies Regarding Confirmation of Environmental and Social Considerations	3
2. Objectives and Meaning of the Guidelines	4
3. Basic Principles Regarding Confirmation of Environmental and Social Considerations	4
4. Procedures for Confirmation of Environmental and Social Considerations	6
5. Disclosure of Information Regarding Confirmation of Environmental and Social Considerations by JBIC	9
6. Taking Environmental Reviews into Account for Decision-making and Loan Agreements	11
7. Ensuring Appropriate Implementation of and Compliance with the Guidelines	11
8. Implementation and Review of the Guidelines	12

#### Part 2<sup>(NB)</sup>

1. Environmental and Social Considerations Required for Funded Projects	13
2. EIA Reports for Category A Projects	17
3. Illustrative List of Sensitive Sectors, Characteristics and Areas	20
4. Information Required for Screening Process	22
5. Checklist Categories and Items	23
6. Items Requiring Monitoring	24

NB: Part 2 is inseparable from Part 1.

## [Part 1]

### **1. JBIC's Basic Policies Regarding Confirmation of Environmental and Social Considerations**

JBIC confirms that project proponents are undertaking appropriate environmental and social considerations, through various measures, so as to prevent or minimize the impact on the environment and local communities which may be caused by the projects for which JBIC provides funding, and not to bring about unacceptable effects. It will thus contribute to the sustainable development of developing regions.

In its confirmation of environmental and social considerations, JBIC places importance on dialogue with the host country (including local governments), borrowers and project proponents (hereinafter collectively referred to as “borrowers and related parties”) regarding environmental and social considerations, while respecting the sovereignty of the host country. It also takes note of the importance of transparent and accountable processes, as well as the participation in those processes of stakeholders in the project concerned, including local residents and local NGOs affected by the project (hereinafter referred to as “stakeholders”). JBIC makes clear in its Guidelines the environmental and social considerations required for projects to receive JBIC’s funding, and confirms those environmental and social considerations.

In making its funding decisions, JBIC conducts screenings and reviews of environmental and social considerations to confirm that the requirements are duly satisfied.

JBIC makes the utmost efforts to ensure that appropriate environmental and social considerations are undertaken, in accordance with the nature of the project for which JBIC provides funding, as stated in the Guidelines, through such means as loan agreements.

Following funding decisions, if necessary, JBIC will monitor or take steps over a certain period of time to encourage borrowers and related parties to ensure that appropriate environmental and social considerations are undertaken.

In cases where it is involved in the planning and preparatory stages of a project, JBIC will take steps to encourage borrowers and related parties to undertake appropriate environmental and social considerations from the earliest stage possible.

JBIC consistently strives to improve its organizational structure and operational capacity to achieve sufficient and effective confirmation of environmental and social considerations.

## **2. Objectives and Meaning of the Guidelines**

The objective of the Guidelines is to encourage project proponents to implement appropriate environmental and social considerations in accordance with the Guidelines, by making clear its procedures (both before and after funding decisions are made), criteria for decision-making and requirements which projects subject to funding are to meet. In so doing, JBIC endeavors to ensure transparency, predictability and accountability in its confirmation of environmental and social considerations.

## **3. Basic Principles Regarding Confirmation of Environmental and Social Considerations**

### (1) Parties Responsible for Environmental and Social Considerations

The project proponents are responsible for environmental and social considerations for the project. JBIC confirms such considerations in light of the Guidelines.

JBIC encourages project proponents seeking funding from JBIC to undertake appropriate environmental and social considerations in accordance with the nature of the project, based on the principles listed in Section 1 of Part 2 of the Guidelines.

### (2) Confirmation of Environmental and Social Considerations by JBIC

JBIC does the following to confirm environmental and social considerations;

- (a) classifies the project into one of the categories listed in Section 4.(2) of Part 1 (hereinafter referred to as “screening”);
- (b) conducts a review of environmental and social considerations when making a decision on funding, to confirm that the requirements are duly satisfied (hereinafter referred to as “environmental review”); and
- (c) conducts monitoring and follow-up after the decision has been made on funding (hereinafter, such monitoring and follow-up processes will be simply referred to as “monitoring”).

JBIC conducts screening and environmental reviews of projects for which it intends to provide funding before it makes decisions on funding.

In light of the Guidelines and taking into account the characteristics of the project and the particular circumstances of the country and its location, JBIC confirms in its environmental reviews: 1) whether appropriate and sufficient consideration is given to environmental and social issues before the

implementation of the project, 2) whether appropriate environmental and social considerations can be expected after JBIC makes decisions on the funding of the project in light of such factors as the state of preparation by the project proponent and host government, their experience, operational capacity, and the state of securing funds, as well as external factors of instability.

From the standpoint that confirmation of environmental and social considerations is an important aspect in the risk assessment for the funding, JBIC carries out environmental reviews in strict conjunction with its financial, economic and technical review of projects.

As well as undertaking efficient pre-funding screening and environmental reviews through the appropriate use of “screening forms” and “environmental checklists”, amongst other means, JBIC places emphasis on post-funding monitoring.

### (3) Information Required for Confirmation of Environmental and Social Considerations

JBIC conducts screening and environmental reviews based principally on information provided by borrowers and related parties (in the case of export finance, including exporters). However, JBIC may request additional information from the borrowers and related parties when necessary.

JBIC recognizes the importance of information received not only from the borrowers and related parties but also from governments and organizations of host countries, co-financiers and stakeholders, and utilizes such information in its screening and environmental reviews.

With respect to projects that are co-financed by other financial institution(s), JBIC endeavors to exchange information on environmental and social considerations with the other institution(s) concerned.

For Category A projects (see Section 4.(2) of Part 1), JBIC checks the extent of stakeholder participation and information disclosure being undertaken for the project, in accordance with the environmental impact assessment systems of the host country.

JBIC may, when necessary, conduct surveys of proposed project sites by dispatching environmental experts to confirm environmental and social considerations.

JBIC may, when necessary, seek and make use of opinions from outside experts.

### (4) Standards for Confirmation of Appropriateness of Environmental and Social Considerations

JBIC in principle conducts environmental reviews to confirm that projects meet the requirements for

environmental and social considerations stated in the Guidelines in the following ways:

JBIC ascertains whether a project complies with environmental laws and standards, of the host national and local governments concerned, as well as whether it conforms to their environmental policies and plans.

JBIC also uses, as reference points or benchmarks, examples of standards and/or good practices regarding environmental and social considerations established by international and regional organizations and developed countries such as Japan. If JBIC believes the environmental and social considerations of the project substantially deviate from these standards and good practices, it will consult with the host governments (including local governments), borrowers and project proponents to confirm the background and rationale for this deviation.

JBIC takes note of the importance of good governance with regard to projects for the sake of appropriate environmental and social considerations.

#### (5) Taking into Account for Funding Decisions

JBIC takes the outcomes of its environmental reviews into account for decisions on funding. If, as a result of its environmental review, JBIC judges that appropriate environmental and social considerations are not ensured, it will encourage the project proponent, through the borrower, to undertake appropriate environmental and social considerations. If appropriate environmental and social considerations are not undertaken, there may be cases where funding is not extended.

### **4. Procedures for Confirmation of Environmental and Social Considerations**

#### (1) Screening

Before starting an environmental review of a project, JBIC classifies the project into one of the following categories. The subsequent environmental review will then be conducted in accordance with the procedures for that category.

JBIC requests the borrowers and related parties to submit the necessary information promptly so that it may perform the screening process at an early stage.

During the screening process, JBIC classifies each project in terms of its potential environmental impact, taking into account such factors as: the sector and scale of the project, the substance, degree and uncertainty of its potential environmental impact and the environmental and social context of the

proposed project site and surrounding areas.

JBIC may revise the categorization when necessary, e.g., in cases where environmental impact worth considering comes to light even after the screening based on the information provided by the borrowers and related parties is performed.

## (2) Categorization

Category A: A proposed project is classified as Category A if it is likely to have significant adverse impact on the environment. A project with complicated impact or unprecedented impact which are difficult to assess is also classified as Category A. The impact of Category A projects may affect an area broader than the sites or facilities subject to physical construction. Category A, in principle, includes projects in sensitive sectors (i.e., sectors that are liable to cause adverse environmental impact) or with sensitive characteristics (i.e., characteristics that are liable to cause adverse environmental impact) and projects located in or near sensitive areas. An illustrative list of sensitive sectors, characteristics and areas is given in Section 3 of Part 2.

Category B: A proposed project is classified as Category B if its potential adverse environmental impact is less adverse than that of Category A projects. Typically, this is site-specific, few if any are irreversible, and in most cases normal mitigation measures can be designed more readily. Projects funded by Engineering Service Loans that are yen loans for survey and design, are classified as Category B, with the exception of those belonging to Category C.

Category C: A proposed project is classified as Category C if it is likely to have minimal or no adverse environmental impact. Projects that correspond to one of the following are, in principle, classified as Category C, with the exception of projects with sensitive characteristics and projects located in sensitive areas as indicated in Section 3 of Part 2:

- 1) Projects for which the JBIC's share is not above SDR 10 million;
- 2) Sectors or projects in which no particular environmental impact would be normally expected (e.g., human resources development, support for international balance of payments, maintenance of existing facilities, acquisition of rights and interests without additional capital investment); or
- 3) Cases in which there is only minor involvement of the project by the borrower or JBIC, such as the export/import or lease of items of machinery or equipment that is not connected with a

particular project, and where there would be little reasonable significance in JBIC's conducting an environmental review.

Category FI: A proposed project is classified as Category FI if it satisfies all of the following: JBIC's funding of the project is provided to a financial intermediary etc.; the selection and assessment of the actual sub-projects is substantially undertaken by such an institution only after JBIC's approval of the funding and therefore the sub-projects cannot be specified prior to JBIC's approval of funding (or assessment of the project); and those sub-projects are expected to have potential impact on the environment.

### (3) Environmental Review for Each Category

After the screening process, JBIC carries out environmental reviews according to the following procedures for each category.

Category A: Environmental reviews for Category A projects examine the potential negative and positive environmental impact of projects. JBIC evaluates measures necessary to prevent, minimize, mitigate or compensate for potential negative impact, and measures to promote positive impact if any such measures are available. Borrowers and related parties must submit Environmental Impact Assessment (EIA) reports (see Section 2 of Part 2) for Category A projects. For projects that will result in large-scale involuntary resettlement, basic resettlement plans must be submitted. JBIC undertakes its environmental reviews based on the EIA and other reports prepared by the project proponents and submitted through the borrower.

Category B: The scope of environmental reviews for Category B projects may vary from project to project, but it is narrower than that for Category A projects. The environmental reviews for Category B are similar to that of category A in that they examine potential negative and positive environmental impact and evaluate measures necessary to prevent, minimize, mitigate or compensate for the potential negative impact, and measures to promote positive impact if any such measures are available. JBIC undertakes its environmental reviews based on information provided by borrowers and related parties. Where an EIA procedure has been conducted, the EIA report may be referred to, but this is not a mandatory requirement.

Category C: For projects in this category, environmental reviews will not proceed beyond screening.

Category FI: JBIC checks through the financial intermediary etc. to see whether appropriate environmental and social considerations as stated in the Guidelines are ensured for projects in this

category.

The corresponding environmental checklists for each sector will be referred to in conducting the aforementioned reviews.

#### (4) Monitoring

JBIC in principle confirms through the borrower over a certain period of time, the results of monitoring the items which have a significant environmental impact by the project proponents. This is in order to confirm the project proponents' undertaking of environmental and social considerations for category A and B projects.

The information necessary for monitoring by JBIC needs to be supplied by the borrowers and related parties by appropriate means. When necessary, JBIC may also conduct its own investigations.

When third parties point out in concrete terms that environmental and social considerations are not being fully undertaken, JBIC forwards such claims to the borrowers and, if necessary, encourages them to request the project proponents to take appropriate action. In the project proponents' response to the claim, JBIC confirms that they carry out the investigation of the specific claim, the examination of countermeasures, and their incorporation into the project plans through transparent and accountable processes.

Also, when necessary, JBIC may request the cooperation of the borrowers and related parties in conducting its own investigations to confirm the state of undertaking of environmental and social considerations.

If JBIC judges that there is a need for improvement in the situation with respect to environmental and social considerations, it may ask the project proponent, through the borrower, to take appropriate action in accordance with the loan agreement. If the response of the project proponent is inappropriate, JBIC may consider taking its own actions in accordance with the loan agreement, including the suspension of the disbursement.

### **5. Disclosure of Information Regarding Confirmation of Environmental and Social Considerations by JBIC**

#### (1) Basic Principles

JBIC welcomes information provided by concerned organizations and stakeholders, so that it may consider a diverse range of opinions and information in its environmental reviews and supervision of

projects.

In order to encourage concerned organizations and stakeholders to provide information to JBIC at an early stage and to ensure its accountability and transparency in the environmental review process, JBIC makes available, important information on environmental reviews in ways appropriate to the nature of the project, while the environmental review is in progress. JBIC may also, when necessary, seek the opinions of concerned organizations and stakeholders.

In addition to the aforementioned principles, if requested by third parties, JBIC will provide them with information regarding environmental and social considerations within its capacity to do so.

JBIC respects the confidentiality of the commercial and other matters of the borrowers and related parties, and observes concurrently the principles of information disclosure and such confidentiality.

## (2) Timing of Disclosure and Content of Disclosed Information

Prior to making decisions on funding and depending on the nature of the project, JBIC discloses information in principle at the timing and with the contents listed below. JBIC endeavors to disclose information in a manner that allows enough time before decisions are made on funding:

- Upon completion of the screening of a project, JBIC discloses, as soon as possible, the project name, country, location, an outline and sector of the project, and its category classification, as well as the reasons for that classification; and
- For Category A and Category B projects, JBIC publishes the status of major documents on environmental and social considerations by the borrowers and related parties, such as EIA reports and environmental permit certificates, etc. issued by the host government on the JBIC website, and promptly makes available the EIA reports etc.

After executing a loan agreement, JBIC provides the results of its environmental reviews of projects in Categories A, B and FI for public perusal on the JBIC website.

JBIC pays due consideration to the confidentiality of the commercial and other matters of the borrowers and related parties, taking into account their competitive relationships, and encourages them to exclude such confidential information from any documents on environmental considerations submitted by them that may later be subject to public disclosure. Any information that is prohibited from public disclosure in the agreement between JBIC and the borrower may be disclosed only with either the agreement of the borrowers and related parties or in accordance with legal requirements.

## **6. Taking Environmental Reviews into Account for Decision-making and Loan Agreements**

JBIC takes the results of environmental reviews into account for its decision-making on funding. If JBIC considers that a project is likely to have an adverse impact on the environment due to inappropriate environmental and social considerations, it will encourage, through the borrower the project proponent to undertake appropriate environmental and social considerations. If appropriate environmental and social considerations are not undertaken, JBIC may decide not to extend funding.

JBIC will make its utmost effort to ensure that the following requirements are met through loan agreements or their attached documents, when it is considered necessary to ensure the enforcement of environmental and social considerations by borrowers and related parties:

- The borrower is to report to JBIC on measures and monitoring related to environmental and social considerations undertaken by the project proponents. If, due to unforeseen circumstances, there is a possibility that the requirements for environmental and social consideration may not be fulfilled, the borrower is to report this to JBIC;
- If any problems regarding environmental and social considerations arise, the borrower is to make efforts for discussions to be held between the project proponents and project stakeholders;
- When project proponents and the host governments (including local governments) other than the borrower have important roles to play in terms of environmental and social considerations, the borrower is to endeavor to enter into agreements with these parties as well; and
- If it becomes evident that the borrower and the project proponents have not met the conditions required by JBIC under the Guidelines, or if it becomes apparent that the project will have an adverse impact on the environment after funding is extended, due to the borrower's or related parties' failure to supply correct information during the environmental review process, JBIC may, in accordance with the loan agreement, suspend the disbursement or declare all the principal outstanding at the time, with interest and any other charges thereon, to be payable immediately.

## **7. Ensuring Appropriate Implementation of and Compliance with the Guidelines**

JBIC endeavors to ensure appropriate implementation of the policies and procedures stated in the

Guidelines and compliance with the Guidelines. In order to ensure its compliance with the Guidelines, JBIC accepts objections regarding its non-compliance with the Guidelines and takes the necessary actions.

#### **8. Implementation and Review of the Guidelines**

JBIC verifies the status of the implementation of the Guidelines, and, based on its findings, conducts a comprehensive review of the Guidelines within five (5) years of their enforcement. Revisions may then be made as needed. When making revisions, JBIC will seek the opinions of the Japanese Government, the governments of developing countries, Japanese companies, experts, NGOs etc., while maintaining transparency in the process.

These Guidelines will come into force from October 1, 2003. The “Environmental Guidelines for JBIC International Financial Operations” and “JBIC Environmental Guidelines for ODA Loans” will apply to projects for which loan applications have essentially been made before the enactment of these Guidelines.

N.B.: If there is any ambiguity in English version and/or any inconsistency with Japanese version, the Japanese version prevails.

## Part 2.

### **1. Environmental and Social Considerations Required for Funded Projects**

In principle, appropriate environmental and social considerations are undertaken, according to the nature of the project, based on the following:

#### (Underlying Principles)

- Environmental impact which may be caused by a project must be assessed and examined from the earliest planning stage possible. Alternative proposals or minimization measures to prevent or reduce adverse impact must be examined and incorporated into the project plan:
- Such examination must include analysis of environmental costs and benefits in as quantitative terms as possible and be conducted in close harmony with economic, financial, institutional, social and technical analysis of the project;
- The findings of the examination of environmental and social considerations must include alternative proposals, mitigation measures and be recorded as separate documents or as a part of other documents. Environmental Impact Assessment (EIA) reports must be produced for projects in which there is a reasonable expectation of particularly large adverse environmental impact; and
- For projects that have particularly large potential adverse impact or are highly contentious, a committee of experts may be formed to seek their opinions, in order to increase accountability.

#### (Examination of Measures)

- Multiple alternative proposals must be examined to prevent or minimize adverse impact and to choose a better project option in terms of environmental and social considerations. In examination of measures, priority is to be given to the prevention of environmental impact, and when this is not possible, minimization and reduction of impact must be considered next. Compensation measures must be examined only when impact cannot be prevented by any of the aforementioned measures; and
- Appropriate follow-up plans and systems, such as monitoring plans and environmental

management plans, must be prepared; and costs of implementing such plans and systems, and financial methods to fund such costs, must be determined. Plans for projects with particularly large potential adverse impact must be accompanied by detailed environmental management plans.

(Scope of Impact to be Examined)

- Environmental impact to be investigated and examined includes factors that impact human health and safety as well as the natural environment, such as: air, water, soil, waste, accidents, water usage, ecosystems, and biota. Social concerns include: involuntary resettlement of the population, the indigenous people, cultural heritage, landscape, gender, children's rights and communicable diseases such as HIV/AIDS and impact that may lead to trans-boundary and global environmental problems; and
- In addition to the direct and immediate impact of projects, derivative, secondary and cumulative impact are also to be examined and investigated to a reasonable extent. It is also desirable that the impact which can occur at any time during the duration of the project be continuously considered throughout the life cycle of the project.

(Compliance with Laws, Standards and Plans)

- Projects must comply with laws, ordinances and standards relating to environmental and social considerations established by the governments that have jurisdiction over the project site (including both national and local governments). They are also to conform to environmental and social consideration policies and plans of the governments that have jurisdiction over the project site; and
- Projects must, in principle, be undertaken outside protected areas that are specifically designated by laws or ordinances of the government for the conservation of nature or cultural heritage (excluding projects whose primary objectives are to promote the protection or restoration of such designated areas). Projects are also not to impose significant adverse impact on designated conservation areas.

(Social Acceptability and Social Impacts)

- Projects must be adequately coordinated so that they are accepted in a manner that is socially

appropriate to the country and locality in which the project is planned. For projects with a potentially large environmental impact, sufficient consultations with stakeholders, such as local residents, must be conducted via disclosure of information from an early stage where alternative proposals for the project plans may be examined. The outcome of such consultations must be incorporated into the contents of the project plan; and

- Appropriate consideration must be given to vulnerable social groups, such as women, children, the elderly, the poor, and ethnic minorities, all of whom are susceptible to environmental and social impact and who may have little access to the decision-making process within society.

#### (Involuntary Resettlement)

- Involuntary resettlement and loss of means of livelihood are to be avoided where feasible, exploring all viable alternatives. When, after such examination, it is proved unfeasible, effective measures to minimize impact and to compensate for losses must be agreed upon with the people who will be affected;
- People to be resettled involuntarily and people whose means of livelihood will be hindered or lost must be sufficiently compensated and supported by the project proponents, etc. in timely manner. The project proponents, etc. must make efforts to enable the people affected by the project, to improve their standard of living, income opportunities and production levels, or at least to restore them to pre-project levels. Measures to achieve this may include: providing land and monetary compensation for losses (to cover land and property losses), supporting the means for an alternative sustainable livelihood, and providing the expenses necessary for relocation and the re-establishment of a community at relocation sites; and
- Appropriate participation by the people affected and their communities must be promoted in planning, implementation and monitoring of involuntary resettlement plans and measures against the loss of their means of livelihood.

#### (Indigenous Peoples)

- When a project may have adverse impact on indigenous peoples, all of their rights in relation to land and resources must be respected in accordance with the spirit of the relevant international declarations and treaties. Efforts must be made to obtain the consent of indigenous peoples after they have been fully informed.

(Monitoring)

- It is desirable that, after a project begins, the project proponents monitor: (i) whether any situations that were unforeseeable before the project began have arisen, (ii) the implementation situation and the effectiveness of the mitigation measures prepared in advance, and that they then take appropriate measures based on the results of such monitoring;
- In cases where sufficient monitoring is deemed essential for the achievement of appropriate environmental and social considerations, such as the projects for which mitigation measures should be implemented while monitoring their effectiveness, project proponents must ensure that project plans include monitoring plans which are feasible;
- It is desirable that project proponents make the results of the monitoring process available to project stakeholders; and
- When third parties point out, in concrete terms, that environmental and social considerations are not being fully undertaken, it is desirable that a forum for discussion and examination of countermeasures be established based on sufficient information disclosure and include the participation of stakeholders in the relevant project. It is also desirable that an agreement be reached on procedures to be adopted with a view to resolving the problem.

## **2. EIA Reports for Category A Projects**

The following conditions are met in principle:

- When assessment procedures already exist in host countries, and projects are subject to such procedures, borrowers and related parties must officially complete those procedures and obtain the approval of the government of the host country;
- EIA reports (which may be referred to differently in different systems) must be written in the official language or a language widely used in the country where the project is to be implemented. When explaining projects to local residents, written materials must be provided in a language and form understandable to them;
- EIA reports are required to be made available in the country and to the local residents where the project is to be implemented. The EIA reports are required to be available at all times for perusal by project stakeholders such as local residents and that copying be permitted;
- In preparing EIA reports, consultation with stakeholders, such as local residents, must take place after sufficient information has been disclosed. Records, etc. of such consultations must be prepared;
- Consultations with relevant stakeholders, such as local residents, should take place if necessary throughout the preparation and implementation stages of a project. Having consultations is highly desirable, especially when the items to be considered in the EIA are being selected, and when the draft report is being prepared; and
- It is desirable that EIA reports cover the items enumerated in the Appendix hereto.

## 2. Appendix

### **Illustrative Environmental Impact Assessment Report for Category A Projects**<sup>NB</sup>

An EIA's scope and level of detail should be decided in accordance with the project's potential impacts. The EIA report should include the following items (not necessarily in the order shown):

- Executive Summary: concisely discusses significant findings and recommended actions.
- Policy, legal and administrative framework: discusses the policy, legal and administrative framework within which the EIA report is to be carried out.
- Project description: describes the proposed project and its geographic, ecological, social and temporal context, including any off-site investments that may be required (e.g. dedicated pipelines, access roads, power plants, water supply, housing, and raw material and product storage facilities). Indicates the need for any resettlement or social development plan. Normally includes a map showing the project site and the area affected by the project.
- Baseline data: assesses the dimensions of the study area and describes relevant physical, biological and socio-economic conditions, including all changes anticipated before the project commences. Additionally, 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 site, design, operation, or mitigatory measures; the section indicates accuracy, reliability and sources of the data.
- Environmental Impacts: predicts and assesses the project's likely positive and negative impacts, in quantitative terms to the extent possible. Identifies mitigation measures and any negative environmental impacts that cannot be mitigated. Explores opportunities for environmental enhancement. Identifies and estimates the extent and quality of available data, essential data gaps and uncertainties associated with predictions, and specifies topics that do not require further attention.
- Analysis of alternatives: 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 offers justification for recommended emission levels and approaches to pollution prevention and abatement.

- Environmental Management Plan (EMP): describes mitigation, monitoring and institutional measures to be taken during construction and operation to eliminate adverse impacts, offset them, or reduce them to acceptable levels.
  
- Consultation: Record of consultation meetings, including consultations for obtaining the informed views of the affected people, local non-governmental organizations (NGOs) and regulatory agencies.

<sup>NB</sup> This Appendix is based on the World Bank Operational Policy - OP 4.01, Annex B.

### **3. Illustrative List of Sensitive Sectors, Characteristics and Areas**

#### 1. Sensitive Sectors

Large-scale projects in the following sectors:

- (1) Mining
- (2) Oil and natural gas development
- (3) Oil and gas pipelines
- (4) Iron and steel (projects that include large furnaces)
- (5) Non-ferrous metals smelting and refining
- (6) Petrochemicals (manufacture of raw materials; including complexes)
- (7) Petroleum refining
- (8) Oil, gas and chemical terminals
- (9) Paper and pulp
- (10) Manufacture and transport of toxic or poisonous substances regulated by international treaties, etc.
- (11) Thermal power
- (12) Hydropower, dams and reservoirs
- (13) Power transmission and distribution lines involving large-scale involuntary resettlement, large-scale logging or submarine electrical cables
- (14) Roads, railways and bridges
- (15) Airports
- (16) Ports and harbors
- (17) Sewage and wastewater treatment having sensitive characteristics or located in sensitive areas or their vicinity
- (18) Waste management and disposal
- (19) Agriculture involving large-scale land-clearing or irrigation
- (20) Forestry

(21) Tourism (construction of hotels, etc.)

## 2. Sensitive Characteristics

- (1) Large-scale involuntary resettlement
- (2) Large-scale groundwater pumping
- (3) Large-scale land reclamation, land development and land-clearing
- (4) Large-scale logging

## 3. Sensitive Areas

Projects in the following areas or their vicinity

- (1) National parks, nationally-designated protected areas (coastal areas, wetlands, areas for ethnic minorities or indigenous peoples and cultural heritage, etc. designated by national governments)
- (2) Areas considered to require careful consideration by the country or locality

### Natural Environment

- a) Primary forests or natural forests in tropical areas
- b) Habitats with important ecological value (coral reefs, mangrove wetlands and tidal flats, etc.)
- c) Habitats of rare species requiring protection under domestic legislation, international treaties, etc.
- d) Areas in danger of large-scale salt accumulation or soil erosion
- e) Areas with a remarkable tendency towards desertification

### Social Environment

- a) Areas with unique archeological, historical or cultural value
- b) Areas inhabited by ethnic minorities, indigenous peoples or nomadic peoples with traditional ways of life and other areas with special social value

#### **4. Information Required for Screening Process**

The following data shall be used in principle to conduct screening. When necessary, additional data may be required depending on the nature of the project and peripheral circumstances, etc.

##### Items to be Listed

#### 1. Permits and Approvals

- Need for permits and approvals for Environmental Impact Assessment
- Status of acquisition of permits and approvals for EIA
- Date of issue of permits and approvals for EIA
- Names of organizations issuing permits and approvals for EIA
- Status of acquisition of other environmental permits and approvals

#### 2. Project Details

- Location of project site
- Project Description
- Relevant sector
- Scale, etc. of project

#### 3. Environmental Impact

- Degree of environmental impact
- Existence of sensitive areas
- Existence of sensitive characteristics
- Scale of sensitive characteristics

## **5. Categories and Items in Checklist**

The checklists include the following categories and items related to the environment. When using these checklists, the appropriate items should be checked based on the sector and nature of the project.

Category	Item
1. Permits and approvals, explanations	<ul style="list-style-type: none"><li>• EIA and environmental permits</li><li>• Explanations to the Public</li></ul>
2. Anti-pollution measures	<ul style="list-style-type: none"><li>• Air quality</li><li>• Water quality</li><li>• Waste</li><li>• Soil contamination</li><li>• Noise and vibration</li><li>• Subsidence</li><li>• Odor</li><li>• Sediment</li></ul>
3. Natural environment	<ul style="list-style-type: none"><li>• Protected areas</li><li>• Ecosystem</li><li>• Hydrology</li><li>• Topography and geology</li><li>• Management of abandoned sites</li></ul>
4. Social environment	<ul style="list-style-type: none"><li>• Resettlement</li><li>• Living and livelihood</li><li>• Heritage</li><li>• Landscape</li><li>• Ethnic minorities and indigenous peoples</li></ul>
5. Other	<ul style="list-style-type: none"><li>• Impact during construction</li><li>• Accident prevention measures</li></ul>

- Monitoring

## **6. Items Requiring Monitoring**

Items requiring monitoring shall be decided according to the sector and nature of the project, with reference to the following list of items.

Items

### 1. Permits and approvals, explanations

- Response to matters indicated by authorities

### 2. Anti-pollution measures

- Air quality : SO<sub>2</sub>, NO<sub>2</sub>, CO, O<sub>2</sub>, soot and dust, suspended particulate matter, coarse particulate, etc.
- Water quality : pH, SS (suspended solids), BOD (biochemical oxygen demand) / COD (chemical oxygen demand), DO (dissolved oxygen), total nitrogen, total phosphorus, heavy metals, hydrocarbons, phenols, cyanogen compounds, mineral oils, water temperature, etc.
- Waste
- Noise and vibration
- Odors

### 3. Natural environment

- Ecosystems : Impact on valuable species, countermeasures, etc

### 4. Social environment

- Resettlement

- Lifestyle and livelihood

NB: For air and water quality, specify whether you are monitoring emission levels or environmental levels. Also, it should be noted that the items which require monitoring will differ depending on whether the impact in question will occur during construction or during the operation of the project.