

Environmental and Social Management Systems Arrangements

Bank of India

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IND: Maharashtra Agribusiness Network Project

Prepared by TRTA Consultants for the Asian Development Bank

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Abbreviations

ADB	– Asian Development Bank
BOI	– Bank of India
CAP	– Corrective Action Plan
CO2	– Carbon dioxide
ES	– Environmental and Social
ESMS	– Environmental and Social Management System
ESSM	– Environmental and Social Safeguard Manager
FI	– Financial Institution
FIL	– Financial Intermediation Loan
FPO	– Farmers Producer Organizations
GHG	– Greenhouse gas
GRO	– Grievance Redressal Officer
IEE	– Initial Environmental Examination
IP	– Indigenous Peoples
IPP	– Indigenous Peoples Plan
IR	– Involuntary Resettlement
MAGNET	– Maharashtra Agribusiness Network Project
NOx	– Nitrogen oxides
PIAL	– Prohibited Investment Activities List
PIU	– Project Implementation Unit
PFI	– Participating Financial Institution
PMU	– Project Management Unit
RBI	– Reserve Bank of India
SPS	– Safeguard Policy Statement

NOTES

- (i) The fiscal year (FY) of the Government of India, its agencies and participating financial institutions ends on 31 March.
- (ii) In this report, “\$” refers to US dollars unless otherwise stated.

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I. ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM¹ OUTLINE

1. An Environmental and Social Management System (ESMS) outlines and institutes a set of policies, procedures, tools, and internal capacity to identify and manage the environmental and social risks that may arise from the financial transaction with its clients/investors. The ESMS states the organization's commitment to environmental and social management, regulatory requirements and explains its procedures for identifying, assessing, and managing, and reporting environmental and social risks of financial transactions. It also defines the decision-making process, describes the roles, responsibilities of staff for doing so, and states the documentation and recordkeeping requirements. It provides the institution's necessary guidance for screening, categorizing, pre-selecting and properly appraising transactions based on their environmental and social impacts/risk, conducting environmental and social due diligence, and monitoring the client's/investor's environmental and social performance.

2. This ESMS arrangement document is prepared for the proposed Maharashtra Agribusiness Network (MAGNET) Project. The project proposes to utilize the financial intermediation loan (FIL) of the Asian Development Bank (ADB) to strengthen the financial capacities of the farmer producer companies (FPOs) and value chain operators (VCOs). The project aims to enhance the incomes of small land-holding farmers in Maharashtra in line with the state government's Vision 2030 by providing holistic agribusiness and value chain support in horticulture. The project will provide (i) institutional, technical, and marketing capacity enhancement to agribusiness institutions and FPOs, (ii) access to finance enhancement to FPOs and VCOs, and (iii) improved agriculture value chain infrastructure. The infrastructure will include women and persons-with-disabilities (PWD) responsive designs and include climate adaptation and mitigation financing.

3. This ESMS arrangement guides the participating financial institutions (PFI), implementing Output 2, to develop or adopt their ESMS. The Outline is presented in compliance with ADB's Safeguard Policy Statement (SPS, 2009), Social Protection Strategy (2001), and Accountability Mechanism Policy (2012), as well as the national, state environmental and social regulatory requirements and policies. The Outline is intended for ESMS Managers, credit/loan officers, and sub-borrowers to determine potential environmental and social impacts of subprojects to ensure that potential impacts are avoided, minimized, and or mitigated throughout the screening and monitoring of the sub-loans. It is required that PFI use this Outline for ADB loans under the MAGNET project only.

a) Type of subprojects to be assessed under MAGNET

4. The project will include subprojects related to the value addition, preservation, and marketing of select horticulture crops² within the state of Maharashtra. The project will support in-situ redevelopment of select facilities to improve post-harvest processing facilities, and establishment of nurseries, greenhouses, and protected cultivation, etc. The proposed infrastructure to be financed under MAGNET are:

- a. Facilities to house Core Plant & Machinery and other equipment

¹ It is recommended that this ESMS outline be used by all BOI branches to improve their existing ESMS or establish a new ESMS.

² Banana, Custard Apple, Green and Red Chili, Guava, Okra, Orange, Pomegranate, Sapota, Strawberry, Sweet Lime

- b. Standalone Pack-house
- c. Stand-alone Cold Storage Unit(s) [Associated with value addition]
- d. Integrated Pack-house (with mechanized sorting & grading line/ packing line/ waxing line/ staging cold rooms, etc.)
- e. Ripening Chamber(s)
- f. Processing Infrastructure-
 - i. Sorting, grading, washing, peeling, cutting, sizing;
 - ii. Blanching, crushing, extraction, pulping;
 - iii. Deseeding, color sorting, pulverization, extrusion, freeze drying / dehydration, frying, etc.;
 - iv. Packaging facilities like canning, aseptic packaging, vacuum packaging, bottling, edible packaging, labelling, any other specialized packaging etc.
 - v. Chemical preservation, pickling, fermentation, or any other specialized facility required for preservation activities etc.

b) Environmental and Social Criteria for Subproject Selection

5. Environmental and social criteria will form one of the stages of screening process for the selecting future subprojects. The BOI will do the due-diligence of the subprojects as per the Bank's extant guidelines³ and handover documents and information to PISC Consultants appointed by MAGNET Society, which in turn would ensure that:

- Subproject selection will be screened against Prohibited Investment Activities List (PIAL) of the ADB Safeguard Policy Statement⁴
- The subprojects must not involve any involuntary resettlement as defined under ADB SPS⁵, including physical or economic displacement due to involuntary land acquisition or involuntary restriction on land use. The subproject proposal will be screened through an involuntary resettlement impact screening checklist. The checklist will be submitted to ADB for approval to confirm that there is no involuntary resettlement impacts.
- The subprojects must not have adverse impacts on Indigenous Peoples (scheduled tribes).⁶ The subproject proposal will be screened through an Indigenous Peoples impact screening checklist. The checklist will be submitted to ADB for approval to confirm no adverse impacts on indigenous peoples.
- The subprojects must not be located in any eco-sensitive⁷ zone and or within 500 meters from any national heritage zone/ structure.
- Each subproject must be designed, constructed, and operated in accordance with relevant national, state, and local social and environmental laws and regulations and policies.

³ This includes the Credit Policy, Delegation of Powers, Risk Management Policies, Techno Economic Viability (TEV) policy, which defines scope of various aspects of Credit Appraisals based on Loan limits.

⁴ ADB. 2009. Safeguard Policy Statement. Manila

⁵ Involuntary resettlement is defined as when persons are physically displaced (relocation, loss of residential land, or loss of shelter) and/or economically displaced (loss of land, assets, access to assets, income sources, or means of livelihood) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.

⁶ Maharashtra's tribal population is close to 10% (Census of India), and close to 10 districts (Thane, Palghar, Nashik, Dhule, Nandurbar, Jalgaon, Ahmednagar, Pune, Nanded, Amravati) fall under Schedule V areas.

⁷ Eco-Sensitive Zones or Ecologically Fragile Areas are areas within 10 kms around Protected Areas, National Parks and Wildlife Sanctuaries notified by Ministry of Environment, Forest and Climate Change, Government of India under Environment Protection Act 1986.

- Subproject must meet requirements of the ESMS developed for the loan project.

II. ENVIRONMENTAL AND SOCIAL MANAGEMENT POLICY AND APPLICABLE REQUIREMENTS

Introduction

6. This section discusses the nature of the subprojects that may be financed by the Bank of India (BOI) using ADB's funds.

Policy

7. The environmental and social management policy of BOI, specifically for the subprojects to be financed under MAGNET, was approved by the Board of Directors (or signed by [the President], or indicate other position/designation) on [date/month/year] and states that:

8. The objectives of the environmental and social management system are:

- To avoid and when avoidance is not possible, to minimize and mitigate or offset adverse impacts of subprojects on the environment, involuntary resettlement, and Indigenous Peoples; and
- To maximize opportunities for environmental and social benefits.
- To help BOI and borrowers to strengthen their safeguard systems and develop the capacity to manage environmental and social risks.

9. The policy will be well communicated to all the stakeholders, including all staff and operational employees, investors, funders, and the loanees.

10. BOI envisions to be a leading provider of financial products and services that contribute to the development of India. The FI's vision and values are aligned with the government's development goals and policies, which aim to improve the quality of life. Key priorities include the provision of inclusive financial services, poverty reduction, and diversification of the economy.

Strategic Objectives of the Environmental and Social Management System (ESMS)

11. An ESMS supports the environment and social (E&S) Policy by formalizing the procedures to mitigate risks, capitalize on opportunities, and maintain a positive operational impact. The ESMS is dedicated to facilitating a systematic and structured improvement of the FI's Environmental and Social risk management and investment performance.

Scope of Application

12. The ESMS is applicable to BOI's MAGNET-related portfolio and will not interfere with the Bank's overall portfolio.

Mission

13. To provide superior, proactive banking service to niche markets globally, while providing cost effective, responsive service to others in our role as a development bank, and in doing so, meet the requirements of our stakeholders

Vision

14. To become the bank of choice for corporates, medium business and upmarket retail customers and developmental banking for small business, mass market and rural market.

15. BOI is committed to actively protecting the interests of the Indian society and natural environment both in its internal and external operations. BOI aligns its approach to the ADB Safeguard Policy Statement for Environment, Involuntary Resettlement, and Indigenous Peoples to manage environmental and social risks and impacts so that development opportunities are enhanced. This entails that BOI would also expect its clients⁸ to safeguard their operations from causing any adverse harm to the community or the natural environment.

16. In addition, BOI considers climate change a very urgent matter and recognizes the fact that it does affect or could affect its clients' operations. Therefore, as a FI, BOI intends to take its share of responsibility by contributing as much as the BOI can and being a role model for other organizations in India. The BOI is committed to avoiding the financing of activities that contribute significantly to the emission of greenhouse gases.

Applicable Environmental, Social Safeguard and Social Protection Requirements

17. BOI will do the due-diligence of the subprojects as per the bank's extant guidelines and handover the same to PICS Consultant appointed by MAGNET Society, which in turn would ensure that:

- i. All subprojects financed under the FIL component of MAGNET will be evaluated on Environmental and Social Safeguard requirements as defined by the ADB SPS 2009.
- ii. The Environmental and Social Management System developed by the BOI will be adhered to in letter and spirit
- iii. All subprojects financed under the MAGNET comply with relevant national regulations for Environmental and Social Safeguards and scheduled tribes in India (Appendix 1), and per ADB SPS 2009
- iv. All subprojects financed under the MAGNET project are screened particularly ensuring that:
 - The subprojects are screened against the PIAL of the ADB Safeguard Policy Statement
 - Project applications are screened using the Environmental Safeguards Checklist (Appendix 3a and 3b)
 - Project applications are screened using the Social Safeguards Checklist (involuntary resettlement safeguards checklist and the Indigenous Peoples checklist) (Appendix 3c and 3d)
 - All PIAL compliant subprojects will proceed to the next stage screening process involving assessment under subproject selection criteria for the project (section I-(b)), which should essentially exclude all subprojects belonging to category A per ADB safeguard requirement for environment and Indigenous Peoples, and exclude all subprojects belonging to category A and B per ADB safeguard requirement for involuntary resettlement.
 - All compliances / permissions / documentation / clearances as required by the government for catering to environmental and social safeguards are sought diligently

⁸ The term "client" refers to the party responsible for implementing and operating the project that is being financed, or the recipient of the financing, depending on the project structure and type of financing.

- All mitigation measures suggested and agreed to are regularly monitored and adhered to by the subproject operators / owners

Existing Policies and Procedures for adherence to Environmental and Social Management

18. As per the RBI and GOI guidelines the BOI has following policies in place:

- (i) Credit policy;
- (ii) Delegation of powers;
- (iii) Risk Management Policies;
- (iv) Techno Economic Viability (TEV) policy;
- (v) Technical and financial due diligence mechanism;
- (vi) Monitoring and reporting structure.

Operating E&S Procedures and Guidelines

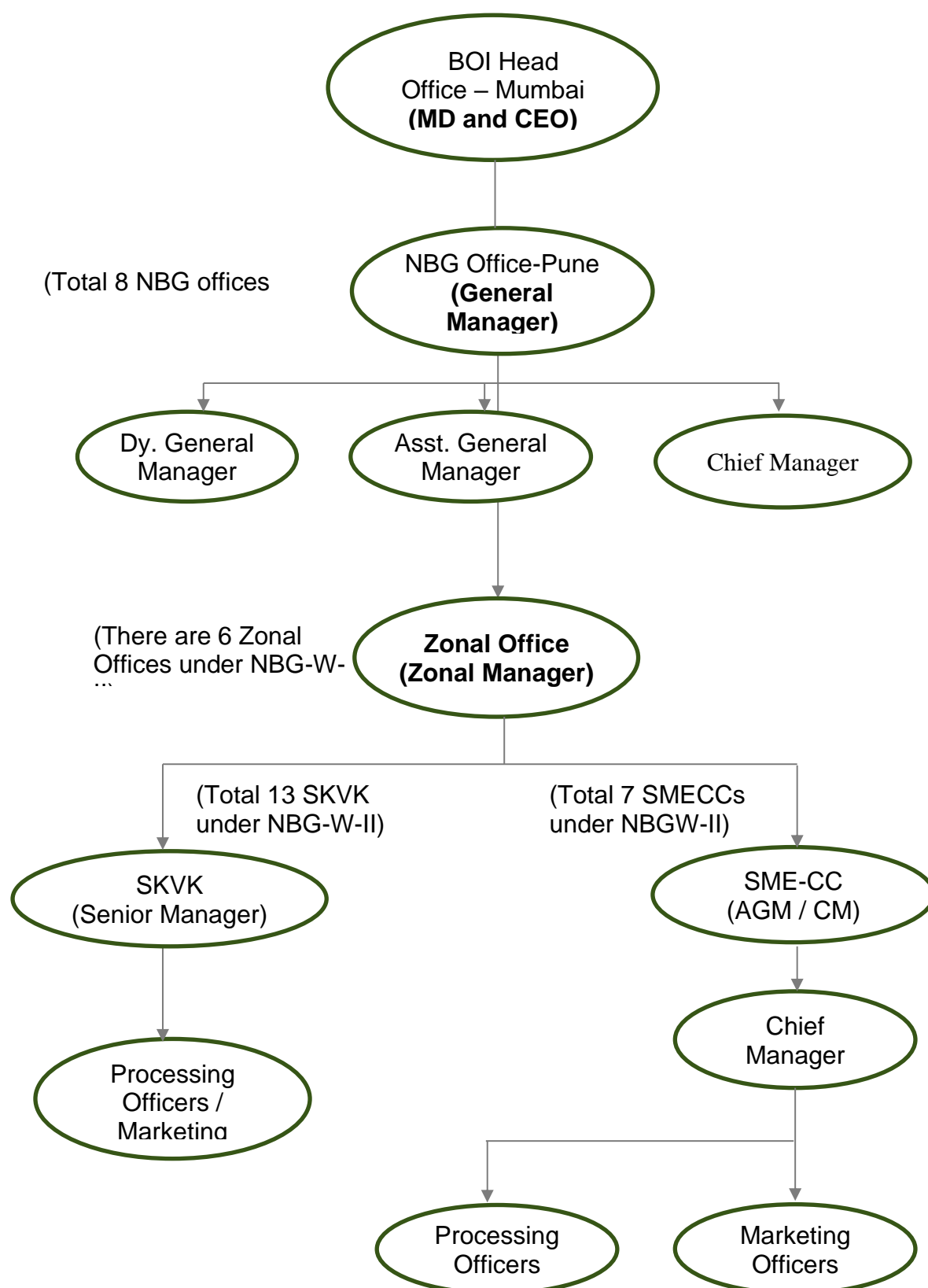
19. The E&S safeguard issues will be overseen by all the officials of the bank (involved in processing proposals pertaining to MAGNET project) in letter and spirit based on confirmation submitted by PICS consultant appointed by MAGNET. Importance of such issues depending on the type and nature of project / programs vis-à-vis pollution potential. Implementation of this policy would alleviate all the credit, legal, environmental, regulatory & reputational risks and will help improve the Bank's positioning and corporate image as a responsible lender in the market.

III. ORGANIZATIONAL RESPONSIBILITIES, RESOURCES, AND CAPACITY

20. The BOI has an implementation arrangement for the execution of subproject as per bank's extant guidelines; the system will be strengthened by the appointment of PISC consultants by MAGNET Society for the ESMS implementation with defined responsibilities across different verticals to ensure ownership, accountability, good stewardship, transparency and proper reporting of the environmental and social safeguards processes and requirements. The Branch or the Star Krishi Vikas Kendra (SKVK)/Small & Medium Enterprise City Centre (SMECC) will act as the loan receiving centres and/or facilitating centres for the MAGNET. The nodal officer at the SKVK will perform the initial technical and financial screening of all the subprojects. Once screened, the applications will be forwarded to the Asst. General Manager, National Banking Group (NBG) West-2, which will act as the ESMS Manager on behalf of BOI for the compilation and supervision purpose. PISC Consultants appointed by MAGNET Society who will be primarily responsible for confirming compliance of environmental and social issues as per extant guidelines of ADB including the ADB SPS, ensuring the resources are made available for environmental and social management. Once the subproject is assessed w.r.t. the environment & social issues and checklists, the same will be certified by the PISC Consultant that the subproject meets all the requirement of the ESMS guidelines. Based on the detailed ESMS report received from PISC Consultant, ESMS Manager will sign and submit the annual environmental and social performance report to the PMU. The ESMS Manager will ensure that ADB and MAGNET Society are notified if and when the responsible staff has been changed or replaced with a new team. Similarly, MAGNET Society will inform Bank of India in case the responsible staff of PISC Consultancy Structure are changed or replaced.

21. The ESMS Manager will be supported by branch and SKVK nodal officer (ESMS associates) for the project. Additionally, the ESMS Manager will also be supported by the social and environmental consultants from PISC, and Social and Gender officer from the regional PIU, for the social and environmental screening and categorization of the subprojects and detailed E&S risk assessments in client portfolios, as deemed necessary during the project cycle. Figure 1 represents the institutional structure at the BOI.

Figure 1: Organization structure of Bank of India



MD – Managing Director, CEO – Chief Executive officer, NBG – National Banking Group, SKVK – Star Krishi Vikas Kendra, SMECC – Small & Medium Enterprise City Centre, Dy – Deputy, AGM – Assistant General Manager, CM – Chief Manager

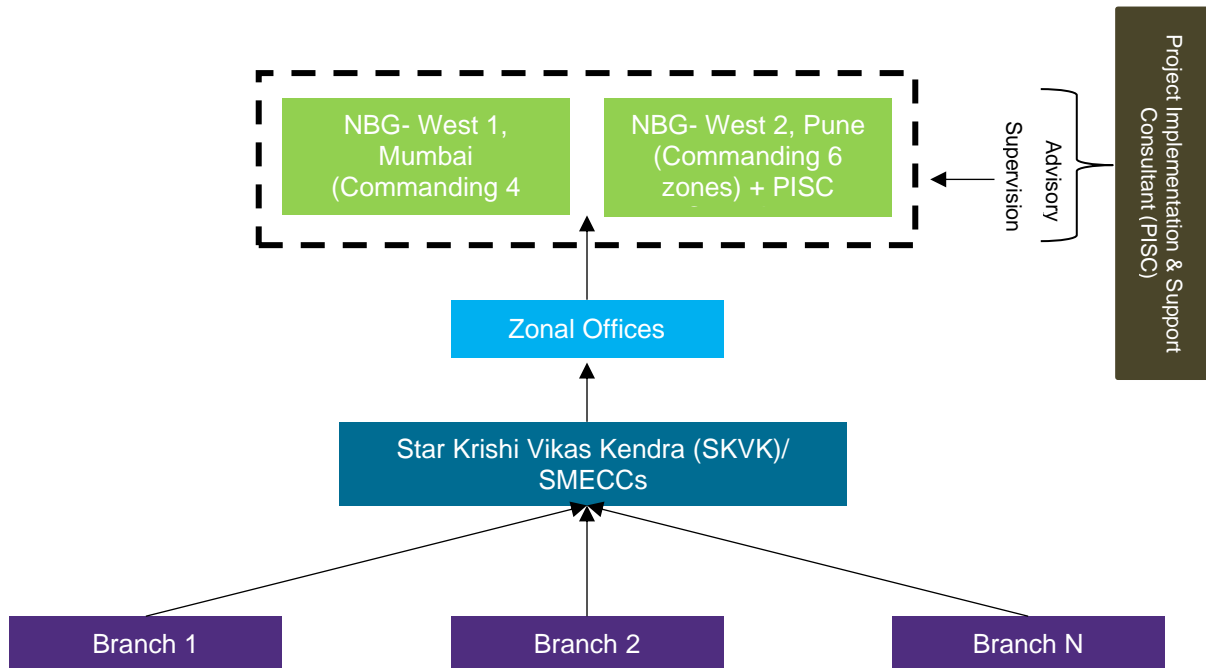


Figure 2: ESMS Implementation arrangement of Bank of India⁹

NBG – National Banking Group, SKVK – Star Krishi Vikas Kendra, SMECC - SMECC – Small & Medium Enterprise City Centre

Table 1: Roles and responsibilities of respective personnel at various stages of subproject's life-cycle

Stakeholder	Station	Responsibility
Branch head	Branch offices	a) Point of access for the FPOs/VCOs b) Canvassing the leads under the project c) First due-diligence of the leads canvassed d) Collection of pre-requisite documents/ licenses/ approvals as per standard check-list e) Submission of documents to processing centers, e.g., SKVKs/SMECCs f) Disbursement of the proposals sanctioned after ensuring compliance of sanction terms g) Monitoring of the individual accounts and reporting of significant compliance issues to concerned SKVK/SMECC/Zone
Star Krishi Vikas Kendra (SKVK)/ SME City centre (SMECCs)	SMECCs office	a) Processing centres for the proposals submitted by the branch b) Conducting joint inspection of the site in association with the branch c) Full-fledged credit appraisal and preparation of the credit proposal d) Liaisoning with branch, client & consulting agencies, viz. Empanelled Lawyer, ESMS Consultant, Valuer etc. for obtaining necessary documents for proposal processing

⁹ Six Zonal Offices include- Kolhapur, Nagpur, Pune, Ratnagiri, Solapur and Vidarbha report to NBG West-2; Four Zonal Offices include- Mumbai North, Mumbai South, Navi Mumbai and Raigad report to NBG West-1; 9 SMECCs; 910 Branches report to 10 Zonal Offices

Stakeholder	Station	Responsibility
		<ul style="list-style-type: none"> e) Sanctioning the proposal, if it falls within their delegation f) Submission of the credit proposal to the concerned sanctioning authority as per delegation
Zonal office Head	Zonal office	<ul style="list-style-type: none"> a) Sanctioning of the proposals as per delegation b) Overall Monitoring of the project parameters for the concerned Zone and reporting the same to respective NBGs as per Standard MIS c) Sensitization & Support to all field level functionaries of the concerned Zone. d) Monitoring of the significant compliance issues reported by the branch and its further reporting to respective NBGs e) Ensure adherence to E&S Policy by all regions and operations f) Be a point of contact for the respective branch managers for any queries regarding E&S performance
PISC Consultant	MAGNET Society office	<ul style="list-style-type: none"> a) PISC empanelled consultant to conduct project social and environmental screening and categorization b) Submit Detailed ESMS Report to ESMS Manager and ESMS associates for ESMS implementation c) Convene a series of ESMS training workshops for BOI staff and subproject receivers d) Prepare safeguard documents – IEE, EMP, IPPs, as the case may be e) Submit all the related information to ESMS Manager for the semi-annual/annual monitoring reports on safeguards of subprojects with emphasis on category B subprojects, and including category C projects f) Submit all the necessary relevant reports to ESMS Manager in finalizing semi-annual/annual reports for submission to ADB on subproject performance of ESMS including IEEs
NBG West 1 and 2 head	NBG Offices	<ul style="list-style-type: none"> a) Single Point of contact for all the issues related to the project under concerned NBG for MAGNET Society b) Sanctioning of the proposals as per delegation c) Overall Monitoring of the project parameters for the concerned NBG and reporting the same to MAGNET Society & Head Office as per Standard Monitoring Information System (MIS) d) Monitoring of the significant compliance issues reported by the Zones and its further reporting to MAGNET Society & Head Office. e) Sensitization & Support to all field level functionaries of the concerned NBG.
Assistant General Manager, NBG West	NBG Office	<ul style="list-style-type: none"> a) Support implementation of ESMS and ensure compliance of ESMS by all branches, properly document, and record environmental reviews in the loan files and liaise with ADB b) Consolidating subproject proposals for submission to the Bank of India's Management Board for approval c) With assistance from PISC consultant clarify semi-annual and annually (as the case maybe) reporting process and templates to ADB d) Validating and certifying safeguard exclusion

Stakeholder	Station	Responsibility
		<ul style="list-style-type: none"> e) Monitoring of all ES aspects during project implementation f) Preparing annual environmental and social performance reports for its shareholders and lenders g) Conduct site visits and safeguard review missions with ADB in accordance with the requirement of the ESMS. h) Request immediate remedial and corrective actions in the event of noncompliance with the obligations under Project agreements in respect to the ESMS. i) Ensure environmental and social safeguard compliance of all Projects in accordance with the National laws and regulations, ADB SPS 2009 j) Strengthen the ESMS team, if required through the technical
PIU	Project regions (Implementing Units)	<ul style="list-style-type: none"> a) Monitor and report the performance of individual branches on ES parameters; and b) Be a point of contact for the respective branch managers for any queries regarding ES performance. c) Ensure the subprojects comply with the requirements assigned to sub-borrowers under the ESMS. d) Provide M&E and verification and evaluation information and participate in the review missions of the project. e) Comply with applicable national laws and regulations; ADB SPS 2009 f) Assist in grievance redressal related to E&S safeguards
PMU	PMU (MAGNET Society), HQ	<ul style="list-style-type: none"> a) Support implementation of ESMS and ensure compliance of ESMS by all FIs and liaise with ADB b) Conduct site visits and safeguard review missions with ADB in accordance with the requirement of the ESMS. c) Request immediate remedial and corrective actions in the event of noncompliance with the obligations under Project agreements in respect to the ESMS. d) Ensure environmental and social safeguard compliance of all Projects in accordance with the National laws and regulations, ADB SPS 2009 e) Assist in grievance redressal related to E&S safeguards
ADB	ADB HQ and India Resident Mission	<ul style="list-style-type: none"> a) Support BOI and PISC by providing advice, guidance, supervision and monitoring on the ESMS implementation in accordance with SPS 2009 requirements. b) Conduct site visits as part of review missions c) Review and comment on Project progress reports and ESMS implementation reports submitted by the PMU. d) Monitor the implementation of the ESMS and recommend updates to the ESMS as required. e) Review the updates to the ESMS proposed by PMU and/or BOI. f) Review semi-annual/annual ESMS performance reports submitted by PMU g) Organize Programme Completion Report jointly with various agencies and stakeholders.

IV. ENVIRONMENTAL AND SOCIAL MANAGEMENT PROCEDURES

Screening and Categorization

22. The safeguard policies require that (i) impacts are identified and assessed early in the project cycle; (ii) plans to avoid, minimize, mitigate, or compensate for the potential adverse impacts are developed and implemented; and (iii) affected people are informed and consulted during project preparation and implementation.

23. At an initial stage of the ESMS application for possible ADB funded subprojects, the branch nodal officer and SMECC will conduct the initial financial and technical screening as per the standard checklist of the bank¹⁰.

24. The project proposals will then be screened by the PISC empanelled consultants on environmental and social parameters to ascertain the impact level as per the ADB's PIAL- (Appendix 2). Where a prospective client is involved in any of the List activities, the bank shall deny the client's request for financing. The outcome of the Exclusion List Assessment will be documented in the customer's file and any other client evaluation reports. For PIAL compliant investments, the PISC Consultant will bring the subproject environmental and social selection criteria to the subproject applicant's attention and inform the same to ESMS Manager in writing for the record purpose.

25. The environmental and social expert, PISC will work with the subproject company/applicant for a quick evaluation of the likely environmental and social impact (involuntary resettlement and indigenous people). The environmental assessment checklist (Appendix 3a and 3b), the involuntary resettlement impact screening checklist (Appendix 3c), and the indigenous peoples screening checklist (Appendix 3d) are designed to guide the PISC consultant, nodal officer, SMECC, and BOI clients¹¹ to determine the significance of potential environmental and/or social impacts associated with the subproject. The selection of the category should be based on professional judgment and information available at the time of project identification.

26. Once the checklists and the verification work are done / carried out by the PISC consultant, the subproject will be classified as one of the following categories: Category A (with potentially significant environmental and/or social impacts); Category B (with less significant environmental and/or social impacts), and Category C (with minimal or no impacts) using Appendix 4. Table 2 defines the categorization of subprojects and summarizes the level of assessment required for MAGNET subprojects that are Category A, B, and C for the environment, involuntary resettlement, and Indigenous Peoples. The E&S Risk Categorization process facilitates a first-level evaluation of the E&S risk profile of a project. The primary purpose of this activity is to identify the scale of the E&S risks, to determine the required E&S assessment/surveys that should be done and outline the E&S documentation that is needed.

¹⁰ This include a standard checklist for financial appraisals such as KYC details, last 3 years audit reports, Assets and liabilities statements of the promoter/guarantor, projected balance sheet for the next 2 years, photocopies of the lease deeds, rent agreement and clearance from pollution control board etc.

¹¹ Series of capacity building exercises and orientation on ADB's SPS 2009 (safeguards policies), including PIAL, will be organized by MAGNET

27. Subproject screening will be mandatory for all subprojects to be financed under the project, and the BOI, with the support of the PISC, will inform the applicant project/company of the applicable requirements as presented in Section II and in Table 2. For applicant's subprojects with potential environmental and/or social impacts, the BOI with support from PISC will advise the applicant project/company that (i) the Safeguard Requirements 1-3 of the ADB Safeguard Policy Statement will apply, including the preparation of relevant safeguard documents. Only subprojects classified as "B" (medium risk) and "C" (low risk) for the environment and Indigenous Peoples are allowed to be funded under MAGNET. No subproject requiring land acquisition (category A and B) is allowed to be funded. It will exclude all subprojects categorized A for the environment and Indigenous Peoples. For category B environment or Indigenous Peoples subprojects, the empanelled social and environment expert at the PISC will prepare an initial environmental examination (IEE) and environmental management plan (EMP), using Appendix 5, or an Indigenous Peoples plan (IPP), using Appendix 6. PMU will review all documents. All expenses required to be made for preparation of safeguard documents will be borne by the MAGNET Society routed through PISC team.

28. On this basis, the PISC consultants will indicate the applicable environmental and social safeguard requirements for the subproject, i.e., IEE and EMP, and IPP (at screening stage). The safeguard documents will be prepared using the outline for each subproject, as early as possible¹², and preferably, during the project identification/pre-construction stage, to determine the appropriate extent and type of environmental and social impacts and risks. These requirements are also stipulated in the ADB's SPS 2009. The credit assessment team of the BOI will assure that the subproject owners are fully aware of the applicable requirements, as presented in Table 2.

Table 2: Safeguard Requirements

Category (Risk Rating)	Definition	Environmental	Involuntary Resettlement	Indigenous Peoples
Category A	If the proposed subproject is likely to have significant adverse environmental impacts that are irreversible, diverse, or unprecedented. These impacts may affect an area larger than the sites or facilities subject to physical works.	Excluded	Excluded	Excluded
	If the subproject is likely to have significant involuntary resettlement impacts. The involuntary resettlement impacts are considered significant, if 200 or more persons will experience major impacts, which are defined as (a) being physically displaced from housing or (b) losing 10%			

¹² Safeguard document requirements will take into account of the findings of the audit report by the PISC.

Category (Risk Rating)	Definition	Environmental	Involuntary Resettlement	Indigenous Peoples
	<p>or more of their productive assets (income generating).</p> <p>If the subproject is likely to have significant impacts on Indigenous (tribal) Peoples. This is determined by assessing the magnitude of impact in terms of: customary rights of use and access to land and natural resources; socioeconomic status; cultural and communal integrity; health, education, livelihood, and social security status; and the recognition of indigenous knowledge; as well as, the level of vulnerability of the affected Indigenous Peoples community.</p>			
Category B	<p>If subproject's potentially adverse environmental impacts are less adverse than category A projects. These impacts are site-specific, few if any of them are irreversible, and in most cases mitigation measures can be designed more readily than for category A projects</p> <p>If the subproject includes involuntary resettlement impacts that are not deemed significant</p> <p>If the subproject is likely to have limited impacts on Indigenous Peoples</p>	<p>Comply with national laws, ADB PIAL, & sector exclusions</p> <p>Prepare Initial Environmental Examination (IEE)</p>	<p>Excluded, no further assessment</p>	<p>An Indigenous Peoples Plan (IPP), including assessment of social impacts, is required</p>
Category C	<p>If the subproject is likely to have minimal or no adverse environmental impacts</p> <p>If the subproject has no involuntary resettlement impacts.</p> <p>If the subproject is not expected to have impacts on Indigenous Peoples</p>	<p>Comply with national laws, ADB PIAL, & sector exclusions</p>	<p>No impacts. No further action required</p>	<p>No impacts. No further action required</p>

29. The BOI will record environmental and social categorization documents of all subprojects with the categorization results, and summary of these reports will be included into

the annual performance report and available for review by ADB Mission Members during ADB Review Missions.

30. Once the safeguard categorizations are completed for the subprojects, candidate project will be screened out (excluded) or pre-selected for carrying out further applicable environmental and social due diligence by PISC Consultants under the ESMS. The pre-selection list of the potential subprojects will be reviewed and approved by the Governing Council of the MAGNET Society and the pre-selected subprojects will be taken forward to due diligence.

Due-Diligence

31. The PISC will undertake environmental and social due diligence (all cost related to due-diligence will thus be borne by MAGNET Society). Depending on the subproject's complexity, due diligence can be a desk review followed by a brief site visit to confirm categorization (for category C subprojects) or based on a site assessment (for environment and Indigenous Peoples category B subprojects). Indigenous Peoples subproject, the nodal officer at the SKVK/SMECC at BOI will do the due-diligence based on the extant due-diligence guidelines of the bank and further categorization and other ADB compliances w.r.t the ESMS would be done by PISC Consultant and a detailed report will be submitted to the ESMS Manager.

32. For all category B subprojects, an audit report will be prepared by the environmental and social safeguard specialist in PISC for environment and/or Indigenous Peoples, and the results of the audit will be reflected in the report to the investment committee of the MAGNET Society, which will take into account these in approving the subproject. For environment and/or Indigenous Peoples category B projects, an IEE and/or IPP, as relevant, will be prepared and will take into account of the findings of the audit report (i.e. if there are finds gaps between ADB environment and social safeguard guidelines and existing performance, IEE reports and/or IPP reports must address these gaps). For category C projects, it must be addressed through an appropriate action plan if there are gaps.

33. The BOI will do the due-diligence of the subprojects as per the bank's extant guidelines and handover the same to PISC Consultant appointed by MAGNET Society, which in turn would ensure that all investment agreements for subprojects contain adequate environmental and social protection, and GESI covenants requirements.

Compliance, Monitoring, and Reporting

34. After an environment and/or Indigenous Peoples category B subproject is approved, the PISC will: (i) maintain regular communications(through e-mail/phone) with the subproject applicant /owners that the subproject owner is undertaking the obligations of compliance with all applicable environmental and social safeguard requirements including the PIAL, EMP, IPP; and (ii) get copies of monitoring reports of the subproject owners from the field staff, and conduct site visits (whenever required) and prepare site inspection reports. All permits and reports prepared by the owners and credit/monitoring officers are required to be kept by the ESMS manager in a track record system.

35. During the project implementation, the PISC Consultant appointed by MAGNET Society will ensure that environmental and social mitigation measures are implemented and the same

be informed to ESMS Manager through a standard MIS. Sub-borrowers comply with: (i) all applicable national laws and regulations relating to the environment; (ii) core labor standards and the applicable laws and regulations, including, but not limited to, the requirements relating to (a) workplace occupational safety norms; (b) no use of child labor¹³; (c) no discrimination against workers in respect of employment and occupation; and (d) no use of forced labor and (iii) recommendations and requirements indicated in the IEE, EMP¹⁴ and IPP. BOI and PISC Consultant appointed by MAGNET Society will ensure that the workers engaged by sub-borrowers for the subprojects are not restricted from developing legally permissible means of expressing their grievances and protecting their rights regarding conditions and terms of employment.

36. In the case of non-compliance, the ESMS Manager will notify the PISC and MAGNET Society immediately within 36 hours of the receipt of the detailed report from PISC Consultant, if there is a major unanticipated environment and social management inconformity. Significant environmental and social management inconsistencies include: (i) has not yet resulted but is expected to result in clearly identified damage or harm or irreversible environmental or social impact; and (ii) requires expeditious corrective action and site-specific attention to prevent severe damage or irreversible environmental or social impact; or (iii) is a material misuse of Hazardous Substances or (iv) non-compliance to EMP and/or IPP and government policies. The PISC Consultant appointed by MAGNET Society - will also work with the subproject owner to bring the project back into compliance and the same would be supervised by ESMS Manager.

37. The ESMS Manager will evaluate the E&S performance of category B and C subprojects on an annual basis in the following 10 years. The benchmark for performance will be the ongoing compliance against the ADB SPS 2009 applicable environmental and social safeguard national requirements, loan agreement, IEE, IPP, audit report, GRM, applicable corrective action plan (CAP, if any), EMP, ESMS, and any other safeguard documents. PISC Consultant appointed by MAGNET Society will support category B subprojects owners in preparation of annual environmental and social monitoring report and the same be submitted to ESMS Manager. Based on these reports, quarterly site visits, and semi-annual progress reports, the ESMS Manager will review and assess the subproject's environmental and social safeguard performance.

38. In case any environmental and/or social incident related to Project activities/area during reporting period, the PISC Consultant appointed by MAGNET Society shall prepare an incident report and submit it to the ESMS Manager who in turn would attach it to the environmental and social monitoring report using an incident report forms (Appendices 9 and 10) including identification of corrective action. In the event of an unanticipated impacts or major changes in

¹³ Child labor refers to the employment of children at regular and sustained labor. This practice is considered exploitative by many international organizations and is illegal. In most countries it is considered inappropriate or exploitative if a child below 14 years of age works (excluding household chores, in a family shop, or school-related work) or below 18 years is engaged in hazardous work. International Labor Organization Convention No. 138 "Minimum Age Convention" (www.ilo.org).

¹⁴ PISC will ensure that EMP is included in sub-borrower's bidding documents for subproject construction and/or operation.

Project scope, the categorization will be reconfirmed, and it may be necessary to update the IEE, EMP, and prepare a CAP in accordance with ADB's SPS 2009 requirements.

39. Based on the subproject's environmental and social safeguard performance, the ESMS Manager will prepare an annual Social-Environmental Annual Report of BOI (Appendix 8) by end of December every year and submit it to the BOI management for endorsement before submission to the PMU of the EA (MAGNET Society).

40. All subproject investment agreements will contain appropriate environmental and social covenants requiring that sub-borrowers are in compliance in all material respects with the applicable environmental and social safeguard requirements as stated in the ESMS.

Grievance Redress Mechanism

41. The BOI already has a Grievance Redressal Mechanism¹⁵ in place to redress all business and service-related grievances as shown in figure 4, E&S grievances will be fed from the BOI system into the MAGNET project GRM as shown in figure 5. The BOI's complaint handling system will be integrated with that of the Magnet project's and a coordinated approach between the two GRM systems will be used to receive evaluate and address complaints from the general public/project affected people regarding potential E&S violations committed by the projects financed by the FIs, as shown in figure 3.

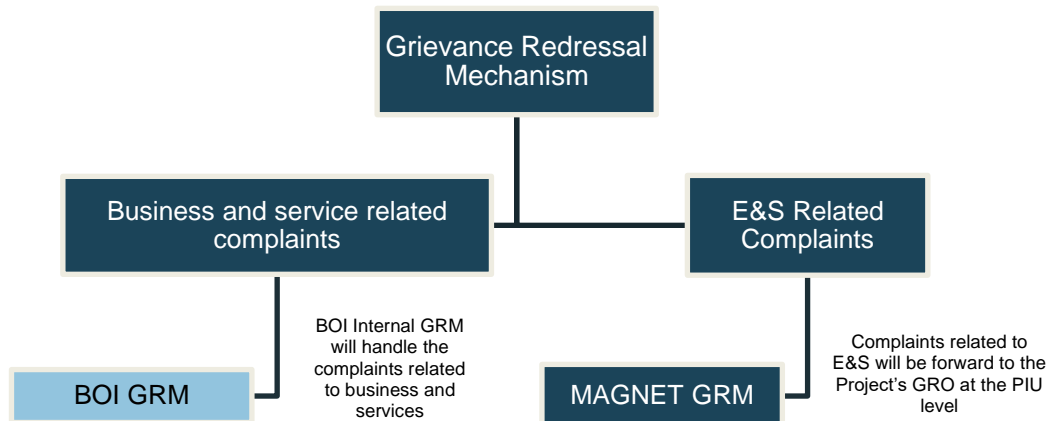


Figure 3: Coordinated GRM - BOI

¹⁵ Grievance Redressal Policy, Bank of India, <https://www.bankofindia.co.in/Details/RedressalPolicy>

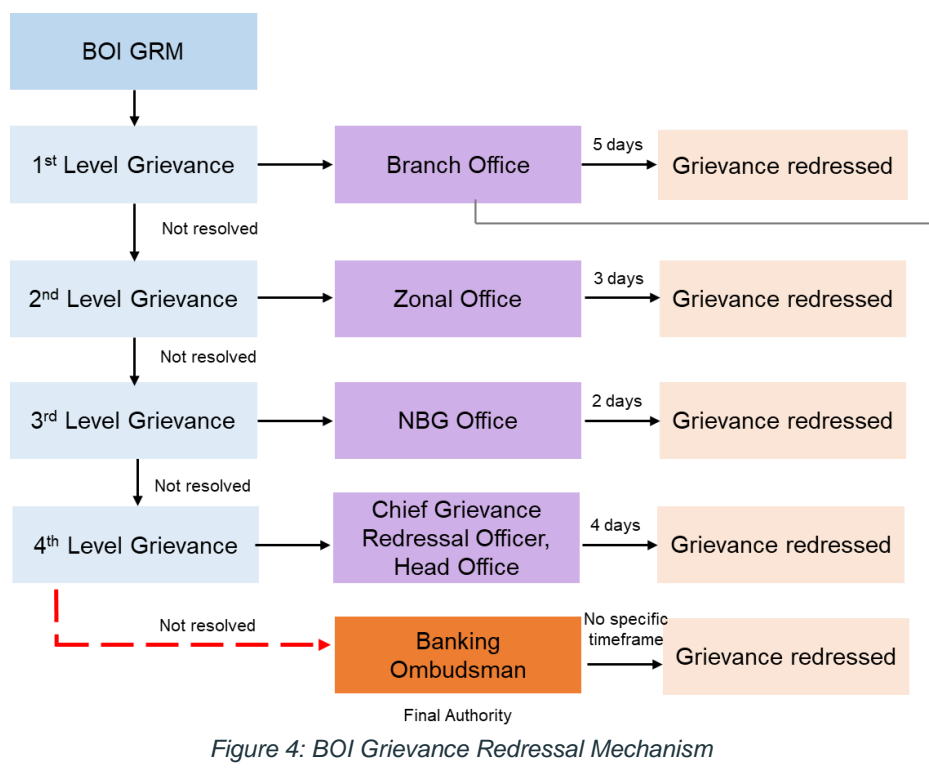
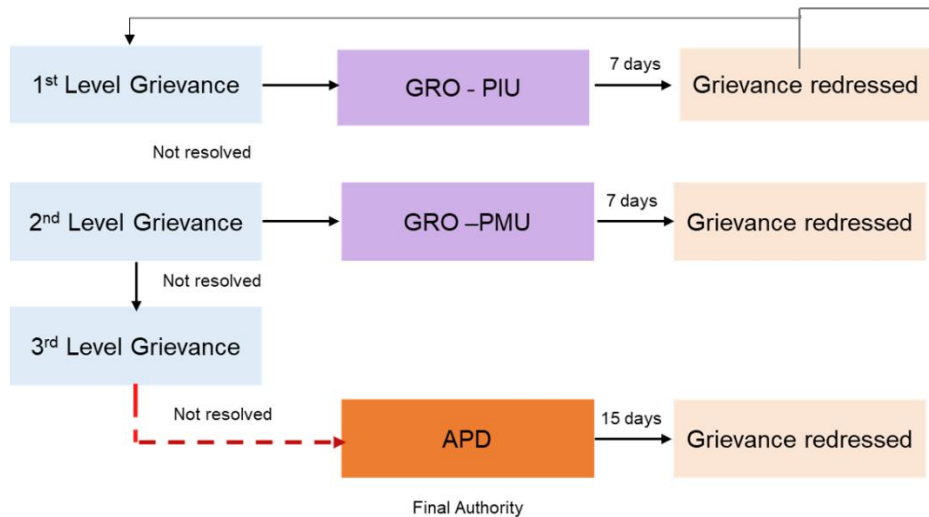


Figure 4: BOI Grievance Redressal Mechanism



GRO –Grievance Redressal Officer, APD- Additional Project director

Figure 5: MAGNET GRM Process

Table 3: Coordinated GRM - Bank of India (Business and E&S related)

Level of addressing grievance	Action to be taken	Responsibility	Timeline
First level	1. Submission: a) In case of an off-line complaint, the matter will be first brought to the concerned branch manager's notice whereby it will be registered	Branch Manager of respective branch (supported by person in charge of Administration)	5 days.

Level of addressing grievance	Action to be taken	Responsibility	Timeline
	<p>and an acknowledgement issued to the complainant.</p> <p>b) Alternatively, the customer may also register a complaint online through the BOI's homepage, under the "Online Complaint (OCRM)" tab. Upon submission, the complaint will be auto acknowledged, and a tracking ID will be issued that can be used for follow-up.</p> <p>2. The Branch manager will review the nature of the complaint, and based on the screening, will categorize if it is related to business/service of the bank or E&S (safeguards). E&S grievances will be forwarded to the GRO, PIU for assessment and redress (Please see Table 4).</p> <p>3. Addressing the Business and services grievances: The Branch Manager will redress the business/service-related complaints.</p> <p>4. Sending reply of the grievance/ resolution offered to the aggrieved person</p> <p>5. In the case of a non-redressal of complaint in the stipulated time, it will be auto escalated to the next tier, i.e., zonal office</p>	& Services) / OCRM	
Second level	<p>6. Address the grievance</p> <p>7. The grievance/resolution offered to the aggrieved person will be sent to them for their approval.</p> <p>8. In the case of a non-redressal of complaint in the stipulated time, it will be auto escalated to the next tier, i.e., NBG office.</p>	Zonal Manager of respective zones (supported by GOD/CSD Heads/Team of the zone & assisted by 21 Nodal officers for liaisoning with Banking Ombudsman offices at 21 locations)	3 days
Third Level	<p>9. Address the grievance</p> <p>10. The grievance/resolution offered to the aggrieved person will be sent to them for their approval.</p>	General Manager, NBG (supported by	2 days

Level of addressing grievance	Action to be taken	Responsibility	Timeline
	11. In the case of a non-redressal of complaint in the stipulated time, it will be auto escalated to the next tier, i.e., Head Office. The maximum period for handling the complaints is two weeks from the date of receipt of the complaint.	GOD/ CSD Heads) Assistant Project Director, PMU MAGNET Society	Within 15 working days of receipt of grievances
Fourth level	12. Address the grievance	Chief Redressal Officer, Head Office (supported by DGM/ AGM CEBB Department)	4 days
	13. Review and approval of all products and processes from the customer service perspective in collaboration with other functional heads. 14. As per the recent procedural guidelines received from RBI, the Banks are required to internally escalate all partly or wholly rejected complaints within two weeks of the receipt of the complaint to the Internal Ombudsman, before conveying the final decision to the complainant within a period of 30 days, from the receipt of complaint.		
Final Level	15. Even after this, the complainant is not satisfied, he/ she is free to take recourse with the Banking Ombudsman located in State Capitals under RBI Ombudsman Scheme 2006.	Banking Ombudsman, RBI	No specific timeframe

Table 4: MAGNET GRM

Level of addressing grievance	Action to be taken	Responsibility	Timeline
First Level	1. Grievance will be received from the Branch Manager by the GRO - PIU	GRO - PIU	Within 7 working days of receipt of grievances.
	2. After review and sorting, grievances will be forwarded to the concerned authorities for resolution		
	3. Sending reply of the grievance to the aggrieved person with a copy of information to the Branch Manager		
	4. Addressing the grievance		
	5. If cannot be addressed at the level of PIU, will be forwarded to PMU		

	with a copy of information to GRO of PIU and Branch Manager		
	6. In case of forwarding as mentioned above in Sl. No. 5, reasons for not addressing the grievance at second level will be explained		
Second level	7. Addressing the grievance.	GRO - PMU	Within 7 working days of receipt of grievances
	8. Sending reply of the grievance to the aggrieved person with a copy of information to GRO of PIU		
	9. If cannot be addressed at the level of PIU, will be forwarded to APD, with a copy of information to GRO of PIU & PMU and Branch Manager.		
	10. In case of forwarding as mentioned above in Sl. No. 10, reasons for not addressing the grievance at third level will be explained.		
Third Level	11. Addressing the grievance	Assistant Project Director, PMU MAGNET Society	Within 15 working days of receipt of grievances
	12. Sending reply of the grievance to the aggrieved person with a copy of information to GRO PIU, PMU and Branch Manager.		

42. To ensure the GRM is in line with the SPS, the GRM will be culturally appropriate and gender inclusive, equipped to receive and facilitate resolution of the Indigenous Peoples' concerns. This will be supported through: (i) membership of the indigenous peoples or their representative at the first tier GRM at field/village level; (ii) availability of the GRM form in local/indigenous dialect; (iii) installation of grievance box at all project locations; (iv) and installation of project billboard in the villages with grievance focal person's contact details and procedure on how to file a complaint, including in local or indigenous dialect.

V. Capacity Building

43. The differences in the development of environmental and social safeguard systems among BOI staff likely means that the ability of BOI to be able to start conducting the environmental and social due diligence for Category B projects, according to the SPS (2009) also is variable. As a result, BOI staff will likely need more training and experience with the ESMS than others before being able to identify (screen) and oversee completion of required due diligence of Category B subprojects.

44. To implement the ESMS implementation and based on the competencies of the BOI to implement required due diligence for Category B subprojects, PMU will organize training and orientation sessions on safeguards (SPS 2009) policies, ESMS and to identifying and implementing environmental Category B to comply with applicable laws and regulations of India and the SPS. The designated ESMS manager, ESMS associates and others related with

MAGNET / ESMS implementation will participate in the training. After initiation of ESMS workshop training, the BOI staff with more complete and accomplished E&S safeguard systems will start applying the ESMS to process Category C and B subprojects while the less capable BOI staff will only process Category C subprojects.

45. Throughout the project, required training and hands-on experience with overseeing and conducting environmental and social due diligence for category B subprojects will be provided to the BOI staff and related stakeholders. As BOI staff develop skills and experience with the ESMS, they may advance to processing category B and C safeguards, subject to PMU and for information of ADB.

Table 5: Capacity building training on environmental and social management

Training Topic	Trainer	Attendee	Contents	Timeline
ADB Safeguard Policies	PISC, ADB Consultants Note: all subprojects must receive this training prior to subproject implementation)	BOI staff involved in ESMS	<ul style="list-style-type: none"> The project's ESMS policy and requirements including links to ADB's SPS (2009) such as policy principles, policy delivery process, environmental and social safeguard requirements, on indigenous peoples International environmental, health and safety management practice in civil constructions including World Bank EHS Guidelines 	After loan negotiation and before the first disbursement of ADB and as per need
Subproject screening and categorization, and due diligence activities	PISC, ADB Consultants	BOI staff involved in ESMS	<ul style="list-style-type: none"> Screening and categorization of subprojects against the PIAL and requirements of IEE Environmental and social due diligence and compliance audit including exclusion criteria 	Continuous; before the first disbursement of ADB

Training Topic	Trainer	Attendee	Contents	Timeline
Monitoring and Evaluation and Corrective Action Plan preparation	PMU and PISC	BOI staff involved in ESMS	<ul style="list-style-type: none"> Reporting formats, monitoring of projects and preparation of a CAP 	During implementation
GRM	PMU and PISC consultants	BOI staff involved in ESMS	<ul style="list-style-type: none"> GRM structure, responsibilities, and timeframe Types of grievances and eligibility assessment 	During implementation/ loan disbursement on continuous basis
Implementation of ESMS	PMU and PISC consultants	BOI staff involved in ESMS	<ul style="list-style-type: none"> ESMS objectives, contents, subproject criteria, other issues regarding ESMS 	During project implementation

VI. APPENDIX

APPENDIX 1: LIST OF APPLICABLE SOCIAL AND ENVIRONMENTAL LEGISLATION

Environmental Safeguards

The Forest (Conservation) Act, 1980. The Forest (Conservation) Act, 1980 pertains to cases of diversion of forest area and felling of trees. Depending on the size of the tract to be cleared, government clearances are applied at the following levels: (a) if the forest area to be cleared or diverted exceeds 20 hectares (ha) (or 10 ha in hilly area), then prior permission of the central government (Ministry of Environment, Forest, and Climate Change [MOEF]) is required; (b) if the forest area to be cleared or diverted is between 5 to 20 ha, the Regional Office of Chief Conservator of Forests (MOEF) is empowered to approve; (c) if the forest area to be cleared or diverted is below or equal to 5 ha, the state government (State Forest Department) can give permission; and (d) if the area to be clear-felled has a forest density of more than 40%, permission to undertake any work is needed from the central government, irrespective of the area to be cleared. Restrictions and clearance procedure proposed in the Forest (Conservation) Act applies wholly to natural forest areas, even in cases where the protected or designated forest area does not have any vegetation cover.

The Environment (Protection) Act, 1986 and the Environmental Impact Assessment Notification, 2006. The Environmental (Protection) Act, 1986 is the umbrella legislation that provides for the protection of the environment in the country through Environment (Protection) Rules, which have since been formulated. The Environmental Impact Assessment Notification, 2006 and the Amendment thereto (22 August 2013) have been notified under the Environmental (Protection) Act, 1986. The Environmental Impact Assessment (EIA) Notification has been introduced to ensure that projects receive prior environmental clearance.

The Wildlife (Protection) Act, 1972. The Wildlife Protection Act has allowed the government to establish several national parks and sanctuaries over the past 25 years, and to protect and conserve flora and fauna. If activities related to any given project are taken up in protected areas, then prior clearance is needed from the State Wildlife Board and the National Board for Wildlife (within the MOEF).

The Water and Air (Prevention and Control of Pollution) Act. The Water (Prevention and Control of Pollution) Act, 1974 resulted in the establishment of the Central Pollution Control Board (CPCB) and State Pollution Control Board (SPCB) whose responsibilities include managing water quality and effluent standards, as well as monitoring water quality, prosecuting offenders, and issuing licenses for construction and operation of certain facilities. The SPCB is empowered to set air quality standards and monitor and prosecute offenders under The Air (Prevention and Control of Pollution) Act, 1981. Additionally, as per the Gazette notification dated 10 April 1997, SPCB is also empowered for public hearing of all projects.

The Motor Vehicles Act, 1988. In 1988, the Indian Motor Vehicles Act empowered the State Transport Authority to enforce standards for vehicular pollution and prevention control. The authority also checks emission standards of registered vehicles, collects road taxes, and issues licenses. In August 1997, the Pollution under Control Certificate program was launched in an attempt to crackdown on vehicular emissions.

The Ancient Monuments and Archaeological Sites and Remains Act, 1958. According to this act, the area within a radius of 100 meters and 300 meters from the “protected property” are designated as “protected areas” and “controlled areas,” respectively. No development activity (including building, mining, excavation, blasting) is permitted in the “protected area,” and development activities likely to damage the protected property are not permitted in the “controlled area” without prior permission of the Archaeological Survey of India if the site is protected by it; or the State Department of Archaeology if the site is protected by the state.

Notification for Use of Fly Ash, 2003. The MOEF issued a Notification under the Environment (Protection) Act, 1986 for the utilization of fly ash in earthworks in roads project within 100 kilometers radius from coal-based power plants. The aim of this act is to minimize impact on agriculture and protection for land used for earthwork.

Coastal Regulation Zone Notification, 2011. The Coastal Regulation Zone, 2011 protects coastal belts and regulates development near the coast for ecological protection and national security.

MOEF circular (1998) on linear plantation on roadside, canals and railway lines modifying the applicability of provisions of Forest (Conservation) Act linear plantations. This circular has been issued to increase forest cover and to protect linear plantations. This circular is effective for states like Rajasthan where forest cover is minimal.

Noise Pollution (Regulation and Control) Act, 1990. Under this Act, MOEF has promulgated noise standards for the usage of land during the day and night.

Public Liability and Insurance Act, 1991. This act provides for protection from transportation, handling, and storage of hazardous materials. The occupier has to compensate people who are affected by any mishap or accidents that might happen during handling, transport, and storage.

Explosive Act, 1984. This act has been enacted for safe transportation, handling, storage, and use of explosive materials.

Minor Mineral and Concession Rules. These rules have been notified for sand mining and for small quarry opening for aggregates.

The Mining Act. This act has been enacted for safe and sound mining activities and for the restoration of mined areas. The act also aims to regulate mining activities.

Social Safeguards

The Ministry of Rural Development, respective state governments, and the Ministry of Tribal Affairs are responsible for implementing the below-mentioned legislations. However, all the implementing agencies must pay attention to and ensure that all project activities comply with legal requirements.

National Rehabilitation and Resettlement Policy, 2007. The National Rehabilitation and Resettlement Policy (NRRP) provides broad guidelines and executive instructions and applies to all projects. The NRRP focuses on providing basic rehabilitation measures for populations involuntarily displaced by projects and requires that projects address rehabilitation and resettlement issues comprehensively.

The Right to Fair Compensation in Land Acquisition, Rehabilitation and Resettlement Act, 2013. The Act governs land acquisition and compensation. The Act describes the process to be adopted in notifying the land required for public purposes or a company. It also includes procedures for enquiry, hearing of objections, and the fixing of compensation. The Act prescribes a 2-year time limit from the date of declaration within which the process has to be completed. The previous Land Acquisition Act has been revised, and this new Act has been introduced to compensate project affected persons better. The Act aligns its provisions to the goals and objectives of the NRRP, 2007.

Indigenous Peoples

Scheduled Caste and Scheduled Tribes (Prevention of Atrocities Act), 1989. This was enacted to bring all forms of abuse to an end against scheduled castes and tribes. “In the Atrocities Act, the complainant is given more weight. There are also stringent provisions against the police for negligence.”

The Constitution (Eighty-Ninth Amendment) Act, 2003. Many provisions relate to scheduled tribes including: Article 17 of the constitution abolishes the practice of “untouchability” and punishes the enforcement of any disability arising out of the practice; Articles 23, 24, 43 and 45 relate to the core labor standards; Article 46 comprises both development and regulatory aspects and stipulates that: “The State shall promote with special care the educational and economic interests of the weaker sections of the people, and in particular, of the Scheduled Castes and the Scheduled Tribes, and shall protect them from social injustice and forms of exploitation.”

Provisions of the Panchayat (Extension to Scheduled Areas) Act, 1996. The Act extends provisions of Part IX of the Constitution to Scheduled Areas, with certain exceptions and modifications and enables a system of self-governance with respect to a number of issues such as customary resources, minor forest produce, minor minerals, minor water bodies, selection of beneficiaries, sanction of projects, and control over local institutions. Rampant land acquisition and displacement due to development projects had led to large scale distress in tribal communities living in Scheduled Areas. PESA was seen as a panacea for many of these vulnerabilities and sought to introduce a new paradigm of development where the tribal communities in such Scheduled Areas were to decide by themselves the pace and priorities of their development.

The Scheduled Tribe and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006. To address the adverse living conditions of many tribal families living in forests this landmark legislation was enacted to recognize and vest the forest rights and occupation of forest land in forest dwelling Scheduled Tribes and other traditional forest dwellers. It also ensures their control over forest resources which, inter-alia, include right of ownership, access to collect, use and dispose of minor forest produce, community rights such as nistar; habitat rights for primitive tribal groups and pre-agricultural communities; right to protect, regenerate or conserve or manage any community forest resource which they have been traditionally protecting and conserving for sustainable use. The Act also provides for diversion of forest land for public utility facilities managed by the Government, such as schools, dispensaries, fair price shops, electricity and telecommunication lines, water tanks, etc. with the recommendation of Gram Sabhas.

APPENDIX 2: PROJECT'S PROHIBITED INVESTMENT ACTIVITIES LIST (PIAL), per ADB's PIAL

The Exclusion List supports the proper execution of the E&S Risk Assessment procedure. The Bank will not invest in, lend to, or engage in harmful activities to the environment, harmful or dangerous to people or communities. In particular, the following activities will not be supported:

1. Any activity classified category "A" and/or "B" for (a) involuntary resettlement, and "A" for (b) Indigenous Peoples in accordance with ADB's safeguard policy statement
2. Any activity classified environment category A, and environment category B if classified receptor sensitive e.g. fall under Exclusion list provided in this ESMS.
3. Production or activities involving harmful or exploitative forms of forced labor¹⁶ or child labor¹⁷
4. Production or trade in any product or activity deemed illegal under the Indian laws or regulations or international conventions and agreements, or subject to international phase outs or bans, such as (a) pharmaceuticals¹⁸, pesticides, and herbicides¹⁹, (b) ozone-depleting substances²⁰, (c) polychlorinated biphenyls and other hazardous chemicals²¹, (d) wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora²², and (e) transboundary trade in waste or waste products²³
5. Production of or trade in weapons and munitions, including paramilitary materials
6. Production of or trade in alcoholic beverages, excluding beer and wine²⁴
7. Production of or trade in tobacco²¹
8. Loans associated with individual gambling, casinos and equivalent enterprises²¹
9. Production of or trade in radioactive materials,²⁵ including nuclear reactors and components thereof
10. Production of, trade in, or use of unbonded asbestos fibers²⁶
11. Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests or old-growth forests
12. Marine and coastal fishing practices, such as large-scale pelagic drift net fishing and fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats

¹⁶ Forced labor means all work or services not voluntarily performed, that is, extracted from individuals under threat of force or penalty

¹⁷ Child labor means the employment of children whose age is below the host country's statutory minimum age of employment or employment of children in contravention of International Labor Organization Convention No. 138 "Minimum Age Convention" (www.ilo.org).

¹⁸ A list of pharmaceutical products subject to phaseouts or bans is available at <http://www.who.int>.

¹⁹ A list of pesticides and herbicides subject to phaseouts or bans is available at <http://www.pic.int>

²⁰ A list of the chemical compounds that react with and deplete stratospheric ozone resulting in the widely publicized ozone holes is listed in the Montreal Protocol, together with target reduction and phaseout dates. Information is available at <http://www.unep.org/ozone/montreal.shtml>.

²¹ A list of hazardous chemicals is available at <http://www.pic.int>.

²² A list is available at <http://www.cites.org>.

²³ As defined by the Basel Convention; see <http://www.basel.int>.

²⁴ This does not apply to subproject sponsors who are not substantially involved in these activities. Not substantially involved means that the activity concerned is ancillary to a subproject sponsor's primary operations.

²⁵ This does not apply to the purchase of medical equipment, quality control (measurement) equipment, and any equipment for which ADB considers the radioactive source to be trivial and adequately shielded

²⁶ This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

13. Mining activities

14. Activities involving genetically modified organisms.

**APPENDIX 3a. ENVIRONMENTAL SAFEGUARDS SCREENING CHECKLIST FOR
BROWNFIELD/ GREENFIELD PROJECTS**

Environmental Aspect	Construction phase (Check if True)	During operations (Check if True)	Remarks
A. Land			
Construction – Will the construction activities cause disturbance to the natural habitat – such as felling of tree, closing of any pond or lake?	<input type="checkbox"/>	<input type="checkbox"/>	
Soil Erosion – Will the activity / facility cause direct soil erosion? Will it lead to soil erosion subsequently?	<input type="checkbox"/>	<input type="checkbox"/>	
Land degradation – Will the project cause degradation of through use of chemicals, overuse of water, removal of top soil etc.?	<input type="checkbox"/>	<input type="checkbox"/>	
Solid waste – Will the project generate substantial non-biodegradable solid wastes?	<input type="checkbox"/>	<input type="checkbox"/>	
Toxic wastes – Will the project generate any toxic wastes?	<input type="checkbox"/>	<input type="checkbox"/>	
Presence of Eco-sensitive zone – Will the project cause loss of habitat to the natural surrounding? Is it located in vicinity of protected and sensitive areas?	<input type="checkbox"/>	<input type="checkbox"/>	
B. Water			
Water Usage – Will it cause water scarcity in adjacent areas?	<input type="checkbox"/>	<input type="checkbox"/>	
Surface Water quality – Will it generate wastes that will deteriorate the surface water quality? Does it involve discharge of pollutants to surface water sources?	<input type="checkbox"/>	<input type="checkbox"/>	
Ground Water quality – Will the project cause seepage of toxic chemicals and wastes into the ground?	<input type="checkbox"/>	<input type="checkbox"/>	

Biodiversity loss – will the project cause deterioration of water sources to the extent of adversely affecting the biodiversity of the adjoining water sources?	<input type="checkbox"/>	<input type="checkbox"/>	
C. Air			
Emission – Will the project involve emission of GHGs, particularly CO ₂ , NO _x , dust, particulate matter etc.?	<input type="checkbox"/>	<input type="checkbox"/>	
Usage of chemicals – Will the project use chemicals such as refrigerants which cause global warming?	<input type="checkbox"/>	<input type="checkbox"/>	
D. Flora and Fauna			
Will the project lead to loss of any flora – felling of tree, land clearing vegetation?	<input type="checkbox"/>	<input type="checkbox"/>	
If yes, is/ are the specie(s) of flora being endangered, vulnerable or threatened species	<input type="checkbox"/>	<input type="checkbox"/>	
Are there any presence of endangered, vulnerable or threatened species of flora/ fauna in the project influence area (within 10km radius)	<input type="checkbox"/>	<input type="checkbox"/>	
Are there any notified Protected Areas, National Parks and Wildlife Sanctuaries within 10km radius of the project	<input type="checkbox"/>	<input type="checkbox"/>	
Are there any migratory routes of animals and or bird within the project influence zone (500mts)	<input type="checkbox"/>	<input type="checkbox"/>	
Is there any forest (reserved/ protected/ community forest) area within the project influence zone?	<input type="checkbox"/>	<input type="checkbox"/>	
E. Climate Vulnerability			
Is the project located in drought or flood prone areas	<input type="checkbox"/>	<input type="checkbox"/>	
Is the project located within critical watershed	<input type="checkbox"/>	<input type="checkbox"/>	

Is the project located in Coastal Regulatory Zone or within Hazard-line defined by Survey of India	<input type="checkbox"/>	<input type="checkbox"/>	
Will the project be exposed to high temperature increase (including heat-wave)	<input type="checkbox"/>	<input type="checkbox"/>	
Will the project be exposed to highly intensive rainfall	<input type="checkbox"/>	<input type="checkbox"/>	
Will the project be exposed to cyclone/ storm surges	<input type="checkbox"/>	<input type="checkbox"/>	
F. Socio-economic factors			
Does the project involve occupational health safety issues?	<input type="checkbox"/>	<input type="checkbox"/>	
Does the project involve health hazards?	<input type="checkbox"/>	<input type="checkbox"/>	
Does the project involve land acquisition?	<input type="checkbox"/>	<input type="checkbox"/>	
Does the project involve loss of the access to sources of income?	<input type="checkbox"/>	<input type="checkbox"/>	
Does the project involve disturbance of residents living near the project area?	<input type="checkbox"/>	<input type="checkbox"/>	
Does the project likely to disturb any physical cultural/ religious resources such as place of worship, sacred grove (sacred tree), graveyards, tribal land, etc.	<input type="checkbox"/>	<input type="checkbox"/>	
Does the following receptors come within the project influence area – school, hospital, health clinic, market area, etc.	<input type="checkbox"/>	<input type="checkbox"/>	
Does the project require public consultation to consider local people environmental concerns and inputs?	<input type="checkbox"/>	<input type="checkbox"/>	

APPENDIX 3b. ENVIRONMENTAL SAFEGUARDS SCREENING CHECKLIST FOR EXISTING FACILITY

Screening Questions	Yes	No	Not Known	Remarks
1. Does the facility has valid consent to establish and consent to operate?				If no, exclude from financing
2. Does the facility has appropriate storm water drainage structure?				
3. Does the facility has valid fire safety clearance in place?				If no, exclude from financing
4. Does the facility has appropriate arrangement for collection and disposal system of wastewater and sewage/ septage being generated at the facility?				If no, exclude from financing; If partially being maintained, then facility should be given appropriate time-period achieve minimum requirement
5. Does the facility uses DG Set? If yes, does the facility has valid DG Set operating certificate? Does the facility follow appropriate SOP for handling and management of spent oil? Does the facility appropriately dispose the spent oil?				If no, exclude from financing; If partially being maintained, then facility should be given appropriate time-period achieve minimum requirement
6. Does the facility has air cooling equipment? If yes, does the facility uses any phased out HCFC gas for air cooling/ refrigeration				
7. Does the unit uses ground water for drinking/ toilet purpose?				
8. Does the facility has provision for rainwater harvesting?				
9. Does the unit experience any extreme event induced by climate change such as flood, drought, coastal flooding, sea-level rise, cyclone, storm surges, heat-wave etc?				

If yes, does the facility has plan in place to reduce physical damages/ operational disruption from such event?				
10. Does the facility uses and maintains appropriate solid waste management system and disposes collected waste in appropriate manner through relevant authority?				If no, exclude from financing; If partially being maintained, then facility should be given appropriate time-period achieve minimum requirement
Does the facility has SOP in place for handling and management of hazardous waste if any being generate at site				

APPENDIX 3c. SOCIAL SAFEGUARDS SCREENING CHECKLISTS

Involuntary Resettlement Impact Checklist

Screening Questions	Yes	No	Not Known	Remarks
1. Will there be land acquisition using eminent domain law?				If yes, exclude from financing
2. Will there be permanent or temporary loss of shelter and residential land due to land acquisition?				If yes, exclude from financing.
3. Will there be permanent or temporary loss of agricultural and other productive assets due to land acquisition?				If yes, exclude from financing.
4. Will there be losses of crops, trees, and fixed assets due to land acquisition?				If yes, exclude from financing.
5. Will there be permanent or temporary loss of businesses or enterprises due to land acquisition?				If yes, exclude from financing.
6. Will there be permanent or temporary loss of income sources and means of livelihoods due to land acquisition?				If yes, exclude from financing.
7. If land or private property is purchased through negotiated settlement or willing buyer-willing seller, will it result in the permanent or temporary				If yes, exclude from financing.

removal or displacement of renters, or leaseholders?			
8. If land or private property is purchased through negotiated settlement or willing buyer-willing seller, will it result in the permanent or temporary removal or displacement of informal land-users (people without legal rights on the land) or squatters?			
9. Will the project involve any permanent or temporary restrictions in land use or access to legally designated parks or protected areas and cause people or any community to lose access to natural resources, <u>traditional habitats</u> , communal land, or communal facilities?			If yes, exclude from financing.
10. Will the project use government land or any public land or property, which will require the permanent or temporary removal of informal occupants or users (residential or economic)?			If yes, exclude from financing.

INVOLUNTARY RESETTLEMENT IMPACT CATEGORY Category A Significant Impact ²⁷ <input type="checkbox"/> exclude from financing Category B Limited Impact <input type="checkbox"/> exclude from financing <input type="checkbox"/> Category C No impact	Prepared by:	
	Name and Signature	
	Designation:	
	Date:	
	Approved by:	
	Name and Signature	
	Date:	

Based on the above checklist's responses on environmental and social safeguards, the loan officer will categorize the project into Category A, Category B, or Category C project. Another important factor to be considered is whether the project's adverse impacts are limited to the project site / area or extend beyond to the adjacent areas. The loan officer uses his professional judgement (calling in support of the ESMS Manager if needed) to take a call on this categorization, and using the above E & S Categorization Tool

²⁷ Involuntary resettlement means physical or economic displacement as a result of land acquisition or involuntary restrictions on land use or on access to legally designated parks and protected areas. Involuntary resettlement is considered significant if 200 or more persons will experience major impacts, which are defined as (i) being physically displaced from housing, or (ii) losing 10% or more of their productive assets (income generating).

APPENDIX 3d. INDIGENOUS PEOPLES SCREENING/CATEGORIZATION CHECKLIST

Name of Subborrower:

Subproject Title:

Location:

KEY CONCERNS (Please provide elaborations on the Remarks column)	YES	NO	NOT KNOWN	Remarks
A. Indigenous Peoples identification				
1. Are there socio-cultural groups present in or use the project area who may be considered as "tribes" (hill tribes, scheduled tribes, tribal peoples), "minorities" (ethnic or national minorities), or "indigenous communities" in the project area?				
2. Are there national or local laws or policies as well as anthropological researches/studies that consider these groups present in or using the project area as belonging to "ethnic minorities", scheduled tribes, tribal peoples, national minorities, or cultural communities?				
3. Do such groups self-identify as being part of a distinct social and cultural group?				
4. Do such groups maintain collective attachments to distinct habitats or ancestral territories and/or to the natural resources in these habitats and territories?				
5. Do such groups maintain cultural, economic, social, and political institutions distinct from the dominant society and culture?				
6. Do such groups speak a distinct language or dialect?				

KEY CONCERNS (Please provide elaborations on the Remarks column)	YES	NO	NOT KNOWN	Remarks
7. Have such groups been historically, socially and economically marginalized, disempowered, excluded, and/or discriminated against?				
8. Are such groups represented as "Indigenous Peoples" or as "ethnic minorities" or "scheduled tribes" or "tribal populations" in any formal decision-making bodies at the national or local levels?				
B. Identification of Potential Impacts				
9. Will the project directly or indirectly benefit or target Indigenous Peoples?				If impact is negative, exclude from financing
10. Will the project directly or indirectly affect Indigenous Peoples' traditional socio-cultural and belief practices? (e.g. child-rearing, health, education, arts, and governance)				If impact is negative, exclude from financing
11. Will the project affect the livelihood systems of Indigenous Peoples? (e.g., food production system, natural resource management, crafts and trade, employment status)				If impact is negative, exclude from financing
12. Will the project be in an area (land or territory) occupied, owned, or used by Indigenous Peoples, and/or claimed as ancestral domain?				If impact is negative, exclude from financing
C. Identification of Special Requirements <i>Will the project activities include:</i>				
13. Commercial development of the cultural resources and knowledge of Indigenous Peoples?				If yes, exclude from financing
14. Physical displacement from traditional or customary lands?				If yes, exclude from financing
15. Commercial development of natural resources (such as minerals, hydrocarbons, forests, water, hunting or fishing grounds) within customary lands under use that would impact the livelihoods or the cultural, ceremonial, spiritual uses that define the identity and community of Indigenous Peoples?				If yes, exclude from financing

KEY CONCERNS (Please provide elaborations on the Remarks column)	YES	NO	NOT KNOWN	Remarks
16. Establishing legal recognition of rights to lands and territories that are traditionally owned or customarily used, occupied or claimed by Indigenous Peoples?				If yes, exclude from financing
17. Acquisition of lands that are traditionally owned or customarily used, occupied or claimed by Indigenous Peoples?				If yes, exclude from financing

Anticipated project impacts on Indigenous Peoples

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

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

IP Categorization: <input type="checkbox"/> A - significant impacts; IPP required <input type="checkbox"/> B – insignificant impacts; IPP required <input type="checkbox"/> C – no impact; no requirement	Prepared by: (Sub borrower) Name and Signature: _____ Designation: _____ Date: _____
	Reviewed by: (PIU designated officer) Name and Signature: _____ Designation: _____ Date: _____

APPENDIX 4: INDICATIVE CATEGORY OF SUBPROJECTS²⁸

The loan officer uses this tool to categorize a project into category A (High Risk), B (Medium Risk), or C (Low Risk), after the loan application has passed the Exclusion List. The purpose of this tool is to determine the E&S Risk Categorization of the Project and determine which additional E&S Assessments, if any, are necessary during the loan application processing.

Category A Subprojects	Category B Subprojects	Category C Subprojects
<p><i>Agriculture (large scale)</i></p> <ul style="list-style-type: none"> - Agriculture, horticulture, vineyards and orchards (medium scale intensive operations >500 ha) - Re-cultivation of resting land (greater than 1000 hectares); - Utilization of agricultural land (over 50 hectares) for non-agricultural (commercial or industrial) purposes <p><i>Food processing industries (large scale) -</i> Canning industry (annually processing over 20,000 tons of output)</p>	<p><i>Agriculture (medium scale)</i></p> <ul style="list-style-type: none"> - Agriculture, horticulture, vineyards and orchards (medium scale intensive operations from 50 to 500 ha) - Re-cultivation of resting land (up to 1000 hectares); - Utilization of agricultural land (from 30 to 50 hectares) for non-agricultural commercial purposes - Utilization of virgin soils and unbroken expanses for intensive agriculture - Construction of buildings to store agriculture goods and agricultural products <p><i>Food processing industries (medium scale)</i></p> <ul style="list-style-type: none"> - Agro-processing factories, foods, beverages, seeds, fibres (medium scale from 5000 to tons/year of output) - Canning industry (annually processing from 10,000 to 20,000 tons of output). - Construction of agricultural products process buildings, facilities and enterprises 	<p><i>Agriculture (small scale)</i></p> <ul style="list-style-type: none"> - Agriculture, horticulture, vineyards and orchards (small scale <50ha) - Construction of glasshouses or poly-tunnels - Utilization of agricultural land (20 to 30 hectares) for non-agricultural purposes - Acquisition of tractors and other farm equipment - Agro-tourism <p><i>Food processing industries (small scale)</i></p> <ul style="list-style-type: none"> - Canning industry (processing <3000 tons/year of raw materials). - Collection of medicinal herbs - Construction of a roasting enterprise (sunflower etc.) - Establishment of semi-finished food factories (capacity up to 1000 tons/year) - Production of non-alcoholic Beverages

²⁸ Republic of Uzbekistan: Horticulture Development Additional Financing Project (HDP AF); Environment and Social Management Framework: World Bank. Every December of every year, BOI will review the indicative thresholds of each category and the types subprojects to sustain its relevance to current and future subprojects.

APPENDIX 5: OUTLINE OF AN INITIAL ENVIRONMENTAL EXAMINATION AND ENVIRONMENT MANAGEMENT PLAN

The activities and outputs of the initial environmental examination (IEE) process will vary with the nature of each project and in context to the project site. The level of detail and comprehensiveness of an environmental examination report should be commensurate with the impacts and risks of the project. Nevertheless, environmental examination and management for ADB-supported projects typically includes the following:

- **Executive Summary:** This section describes concisely the critical facts, significant findings, and recommended actions.
- **Project Description:** Summarizes the project site, design, and operation details to provide an understanding of the project, its activities, and environmental impacts.
- **Policy, Legal and Administrative Framework:** Describes relevant national and local laws, and regulations and policies that the project is subject to, as well as the standards and guidelines that apply, including ADB requirements.
- **Baseline Environment:** Describes current environmental and social conditions, or characteristics of the subproject location, focusing on features that relate to potential project impacts. This description is quantitative, where possible, providing the data required for detailed impact analysis.
- **Impact and Risk Assessment:** Analyses in an integrated manner all potential project impacts on physical, biological, socioeconomic and physical cultural resources, and identifies and addresses risks in terms of institutional capacity and commitment to managing environmental impacts.
- **Environmental Management Plan (EMP):** Sets out the proposed impact mitigation measures, management responsibilities, institutional arrangements, monitoring and reporting requirements, emergency response procedures, capacity development and training measures, implementation schedule, cost estimates, and performance indicators. EMP Matrix is shown below
- **Information Disclosure:** Delivers information about the project to the general public, affected communities and other stakeholders, starting early during project development and continuing throughout the life of the project.
- **Consultation and Participation:** Involves carrying out meaningful consultation with affected people and other relevant stakeholders including civil society, and facilitating their informed participation.
- **Grievance Redress Mechanism:** Establishes a systematic process for receiving, evaluating and addressing affected people's project-related concerns, complaints, and grievances.

EMP matrix²⁹:

Project Component/ Activity	Environmental Components or Issues	Description of the Environmental Impacts	Mitigation Measures	Supervision/ Responsibility	Cost of Mitigation Measure (₹)
PRE-CONSTRUCTION PHASE					
Clearing of Vegetation/ Trees	Biodiversity (both flora and fauna)	Loss of floral and faunal species such as birds (avifauna) as their habitat may get disturbed along with the felling of trees.	Compensatory plantation at project site for development of green-belt.	EPC contractor to implement PIU to monitor	
	Soil erosion	Loss of top soil, disturbance to landscape, land degradation and visual impacts.	Grass turving to avoid soil erosion once construction work is over		
	GHG emission	Emission from vegetation burning (if any)	Tree transplantation should be carried out as far as possible. In case such option is non-feasible, then dead plants should be bio-degraded at site. Burning by all means should be avoided		
CONSTRUCTION PHASE					
OPERATION PHASE					

²⁹ Information on the matrix are only samples.

Project Component/ Activity	Environmental Components or Issues	Description of the Environmental Impacts	Mitigation Measures	Supervision/ Responsibility	Cost of Mitigation Measure (₹)

APPENDIX 6: 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.

A. Executive Summary of the Indigenous Peoples Plan

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

B. 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.

C. 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.

- (vi) identifies and recommends, based on meaningful consultation with the affected Indigenous Peoples communities, the measures necessary to avoid adverse effects or, if such measures are not possible, identifies measures to minimize, mitigate, and/or compensate for such effects and to ensure that the Indigenous Peoples receive culturally appropriate benefits under the project.

D. Information Disclosure, 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.

E. 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.

F. Mitigated 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.

G. 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.

H. 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.

I. 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.

J. Institutional Arrangement

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

K. Budget and Financing

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

APPENDIX 7: SUGGESTED OUTLINE OF SAFEGUARD DUE DILIGENCE BRIEFING NOTE DURING REVIEW

(To be completed by BOI credit officers)

A) Introduction (1 page)

- 1) Subproject description: title, type of subproject, location and setting, amount, size (production capacity, number of staff, etc.).
- 2) Environmental and social categorization and rationale

B) Scope of Review and Methodology (1 page)

- 1) Documents reviewed (e.g. IEE reports and EMPs, Indigenous Peoples plan, copies of permits/licenses, etc.).
- 2) Methodology adopted (e.g. site visit, review of permits and documents, etc.).

C) Compliance and Liability (by relevant safeguard requirements applicable for the specific subproject, examine environmental and social safeguard compliance) (1-3 pages)

- 1) Examine the assessment and planning documents for environment and social safeguards, mitigation measures to address safeguard issues and compliance status with relevant Government of India regulations and standards:
 - a. appropriate identification of major anticipated environmental and social risks;
 - b. adequacy of environmental assessment and social safeguard document (satisfactory IEE report and Indigenous Peoples plan);
 - c. compliance status with applicable national requirements such as information disclosure, consultation with affected people, other relevant permits); and
 - d. adequacy of mitigation measures (monitoring and reporting, institutional arrangement, budget).
- 2) Recommend mitigation measures, or corrective action plans, if gaps are identified.
- 3) Examine whether there are complaints from the public or local communities regarding the subproject company's environmental and social performance.
- 4) State any risk control or mitigation measures to be taken by the subproject, such as conditions, loan covenants or monitoring and reporting requirements.

D) Other Subproject Specific Issues, if any (1-2 pages)

E) Conclusion and Recommendations (Provide justification that a subproject has sufficient safeguard requirement or needs improvement) (1 page)

F) Attachments: All the relevant documents such as permits, maps, etc.

Industry sector:	
Value of exposure (US\$ million):	
Safeguard category:	Environment: Involuntary Resettlement (IR): Indigenous Peoples (IP):
Any E&S due diligence by your organization? If yes, is it desk review of safeguard documents, and/or field visit, and by whom and when?	
Any environmental assessment report (including EMP), IR plan, or IP plan, or audit reports reviewed by your organization? If yes, please provide the names of documents reviewed.	
What were the main environmental, IR and IP issues associated with this subproject, and how were the issues dealt with?	
Does the subproject comply with applicable domestic and ADB safeguard requirements? Any incidents of non-compliance? Please describe how you ensure subproject E&S compliant.	
How you monitor the sub-borrower and its subproject's performance? Please describe supporting docs such as E&S monitoring reports.	

C) Bank of India portfolio by Sub/Sectors

Please provide an indicative % of BOI portfolio, or only those financed under ADB project if it can be separated from its entire portfolio.

Industrial Sector or subsector	Sub-loan in XX year		By sub-loan amount	
	Number	%	In USD	%

D) Sustainable Finance (Summary of subprojects with E&S Benefits)

Sustainable Finance		
Have you made any investments in subprojects that have social and environmental benefits such as investing in management systems, energy efficiency, renewable energy, cleaner production, carbon finance, pollution abatement and control, sustainable supply chain, corporate social responsibility, community development, etc.? Please list these in the format provided below:		
Subproject Name	Value Financed by the Bank of India (US\$ million)	Type of Social and Environmental Benefit

E) Additional information for the reporting period

- 1. Please provide the number of subprojects where a field visit was conducted to review aspects including social E&S issues.**

- 2. Please provide details of any accidents/ litigation/complaints/regulatory notices and fines, their causes and corrective actions being taken.**

- 3. Please state any difficulties related to the ESMS implementation. What are the possible causes and actions being taken by your organization? What are the recommendations of ADB's mission?**

APPENDIX 9: ENVIRONMENTAL INCIDENT REPORT AND CORRECTION ACTION FORM

	Name of company/owner	
	Environmental Incident Report	

An environmental incident is an unexpected event that may result in harm to the environment and requires some action to minimize the impact or restore the environment.

Subproject name/ name of the PFI		Subproject number:	
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Incident details	Site manager/PFI ESMS team to complete	Incident report number
Date of incident:		Time:
		(ESMS Manager to complete)

1. Exact location of the incident, including Region³⁰
2. What type of activity was the team engaged in when the incident occurred?
3. Who notified you of the incident? (e.g. employee, local authority, member of public):
Name and phone no. of complainant:
4. Name and phone no. of complainant:

<input type="checkbox"/> Major	<input type="checkbox"/> Minor ³¹

Nature and level of the incident

- Chemical spill (incl. fuel)
 Air emission
 noise complaint
 Unauthorized removal of vegetation
- Contaminated water discharged (not muddy water)
 Erosion & sedimentation
 Other: (specify)

5. Description of the incident³²

³⁰ **Exact location of Incident:** Provide details of the location of the incident in relation to the subproject site. Include: (i) the name of the region, (ii) distances from environmentally sensitive areas (e.g., watercourses, conservation reserves), (iii) landmarks, cross streets, etc.

³¹ **Major or Minor Incident?** A major incident has occurred if: (i) material has escaped from site, or (ii) clean-up requires external assistance (Fire brigade or other emergency services). If neither of these conditions apply, the incident is rated 'minor'

³² **Provide a brief,** succinct, factual description of the incident including: (i) what happened leading up to the incident. (ii) the material involved (if a leak or spill). (iii) the estimated volume of spilled or leaked material. (iv) the area of land or water affected. (v) who was affected by the incident.

Estimated quantity, volume or area involved (include unit of measure)

Immediate actions taken and control measures implemented³³

6. Proposed corrective (or preventive) action³⁴

Actions/ Mitigation Measures	Responsible person		Timeline
	Name	Position	Date
Sign	Name	Position	Date
After signing, forward to senior manager for further action			

Further action

Senior manager to complete—
Subproject Director, Subproject
Development Manager

Sign:

--

Other authorities notified³⁵

7. Follow up actions undertaken

³³ Describe the actions taken immediately to minimize the impact of the incident.

³⁴ Provide details of actions implemented to clean up and remediate the affected area and actions implemented to prevent the incident from occurring again.

³⁵ Other authorities you might need to notify: (i) Fire brigade or other emergency services. (ii) local government if incident occurs within the local drinking water catchment area.

APPENDIX 10: SOCIAL SAFEGUARD INCIDENT REPORT FORM AND CORRECTION ACTION FORM

	Name of company/owner	
	Social Incident Report	

A social safeguard incident is an unexpected event that may result in harm to the Indigenous Peoples and requires some action to minimize the social risk.

Subproject name/ name of the PFI		Subproject number:	
----------------------------------	--	--------------------	--

Incident details	Site manager/PFI ESMS team to complete	Incident report number
Date of incident:		Time:
		(ESMS Manager to complete)

1. Exact location of the incident, including Region³⁶
2. What type of activity was the team engaged in when the incident occurred?
3. Who notified you of the incident? (e.g. employee, local authority, member of public):
Name and phone no. of complainant:

4. Name and phone no. of complainant:		
	<input type="checkbox"/> Major	<input type="checkbox"/> Minor ³⁷

Nature and level of the incident

- | | | | |
|---|--|---|---|
| <input type="checkbox"/> Land acquisition | <input type="checkbox"/> Loss of shelter or livelihood due to land acquisition | <input type="checkbox"/> Physical displacement of Indigenous community/groups | <input type="checkbox"/> Unauthorized removal of vegetation or agriculture plantation |
|---|--|---|---|
- Other: (specify)

5. Description of the incident³⁸

³⁶ **Exact location of Incident:** Provide details of the location of the incident in relation to the subproject site. Include: (i) the name of the region, (ii) distances from environmentally sensitive areas (e.g., watercourses, conservation reserves), (iii) landmarks, cross streets, etc.

³⁷ **Major or Minor Incident?** A major incident has occurred if: (i) Protest from the local communities, or (ii) Destruction of agriculture land or livelihoods etc. If neither of these conditions apply, the incident is rated 'minor'

³⁸ **Provide a brief, succinct, factual description of the incident including:** (i) what happened leading up to the incident. (ii) the material involved (if a leak or spill). (iii) the estimated volume of spilled or leaked material. (iv) the area of land or water affected. (v) who was affected by the incident.

Estimated impact, number of people (include unit of measure)

Immediate actions taken and control measures implemented³⁹

6. Proposed corrective (or preventive) action⁴⁰

Actions/ Mitigation Measures	Responsible person	Timeline	
Sign	Name	Position	Date
After signing, forward to senior manager for further action			

Further action

Senior manager to complete—
Subproject Director, Subproject
Development Manager

Sign:

Other authorities notified⁴¹

7. Follow up actions undertaken

³⁹ Describe the actions taken immediately to minimize the impact of the incident.

⁴⁰ Provide details of actions implemented to reduce the risk.

⁴¹ Other authorities you might need to notify: (i) Fire brigade or other emergency services. (ii) local government if incident occurs within the local drinking water catchment area.