

Environmental and Social Management Systems Arrangements

Federal Bank

Project Number: 53264-001
August, 2023

India: Maharashtra Agribusiness Network Project

Prepared by PISC for the Asian Development Bank

This environmental and social management system arrangements is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

In preparing any country program or strategy, financing any subproject, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

Abbreviations

ADB	– Asian Development Bank
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
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
PFI	– Participating Financial Institution
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.

Contents

I. ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM ARRANGEMENT	2
Introduction	2
Type of Subprojects to be financed under MAGNET Subproject.....	2
II. ENVIRONMENTAL AND SOCIAL MANAGEMENT POLICY AND SCOPE	4
ESMS Policy	4
Scope of ESMS Arrangement for MAGNET related portfolio (“ESMS Arrangement”).....	5
III. ORGANIZATIONAL RESPONSIBILITIES, RESOURCES, AND CAPACITY	7
IV. ENVIRONMENTAL AND SOCIAL MANAGEMENT PROCEDURES	9
Screening and Categorization	10
Due-Diligence	13
Compliance, Monitoring, and Reporting	14
Grievance Redress Mechanism	15
V. Capacity Building	18
VI. APPENDIX.....	20
APPENDIX 1: List of Applicable Environmental and Social Laws and Regulations	20
APPENDIX 2: Subproject’s Prohibited Investment Activities List (PIAL), per ADB’s PIAL	23
APPENDIX 3a. Environmental and Social Safeguards Screening and Categorization	24
APPENDIX 3b. Environmental Assessment Checklist.....	26
APPENDIX 3c. Involuntary Resettlement Screening Checklist.....	30
APPENDIX 3d. Indigenous Peoples Screening/Categorization Checklist	32
APPENDIX 4: Outline of an Initial Environmental Examination and Environment Management Plan..	35
APPENDIX 5: Outline of an Indigenous Peoples Plan.....	37
APPENDIX 6: Suggested Outline of Safeguard Due Diligence Briefing Note During Review	39
APPENDIX 7: Outline of Social-Environmental Annual Report by the Federal Bank	40
APPENDIX 8: Environmental Incident Report and Correction Action Form	43
APPENDIX 9: Social Safeguard Incident Report Form	45

I. ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM ARRANGEMENT

Introduction

1. This Environmental and Social Management System (ESMS) arrangement document is prepared for the proposed financial intermediation loan (FIL) model to be followed by Federal Bank under the Maharashtra Agribusiness Network (MAGNET) Subproject ("MAGNET Subproject"). The Subproject proposes to utilize the FIL model of the Asian Development Bank (ADB) to strengthen the financial capacities of the farmer producer companies (FPOs) and value chain operators (VCOs). The Federal Bank has agreed to participate as one of the Financial Intermediary (FIs) under the Subproject MAGNET and adhere to the principles of this ESMS arrangement.

2. MAGNET 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. MAGNET will provide (i) institutional capacity enhancement to agribusiness institutions and farmers producer organizations (FPOs), (ii) financial capacity enhancement to FPOs and value chain operators, and (iii) improved horticulture value chain infrastructure. The infrastructure will include women and persons-with-disabilities (PWD) friendly designs and include climate adaptation and mitigation financing.

3. This ESMS outlines procedures and tools to identify and manage the environmental and social (E & S) risks that may arise from the financial transaction between the MAGNET Society, Federal Bank and the borrower who may accept loan from the Federal Bank under MAGNET loan portfolio. Thus, this ESMS is applicable to the Federal Bank's MAGNET-related portfolio and will not interfere with the Bank's overall portfolio¹.

4. This ESMS reflects upon Federal Bank's commitment to environmental and social management and regulatory requirements that is applicable under MAGNET Subproject. The ESMS explains the procedures to be followed for screening, categorizing, pre-selecting and properly appraising Subprojects based on their environmental and social impacts/risk, conducting environmental and social due diligence, and monitoring the borrower's environmental and social performance. It also defines the decision-making process, describes the roles, responsibilities of Federal Bank staff, PIU Officer (Infrastructure) and GESI Officer with MAGNET Society and Subproject Implementation Support Consultant to MAGNET Society and the borrower who collectively will be responsible for implementation of environmental and social safeguards measures including documentation and recordkeeping requirements.

5. This ESMS arrangement outline is in compliance with ADB's Safeguard Policy Statement (SPS, 2009), Social Protection Strategy (2001), Public Communication Policy (2011), 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 and ensure that potential impacts are avoided, minimized, and or mitigated throughout the screening, implementing to monitoring of the sub-loans. It is required that Federal Bank use this Outline for ADB loans under the MAGNET subproject only.

Type of Subprojects to be financed under MAGNET Subproject

¹ It is recommended that this ESMS outline be used by all Federal Bank branches to improve their existing ESMS or establish a new ESMS for the proposals considered under MAGNET project.

6. The loan portfolio will include subprojects² related to the value addition, preservation, and marketing of select horticulture crops³ within the state of Maharashtra. MAGNET 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. Civil works (to house Core Plant & Machinery and other equipment's)
- 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, colour 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.

7. All loan application processed by Federal Bank under MAGNET is referred here as "subproject" whereas MAGNET is termed as Project. Thus, hereinafter any reference to subproject will mean loan (singular) processed under MAGNET.

² The term "Projects" is used in this document to mean horticulture-related business activities financed in part or in full by Federal Bank using ADB funds under MAGNET initiative.

³ Banana, Custard Apple, Green and Red Chili, Guava, Okra, Orange, Pomegranate, Sapota, Strawberry, Sweet Lime, Cashew, Mango, Lemon, Snake Gourd and Flowers.

II. ENVIRONMENTAL AND SOCIAL MANAGEMENT POLICY AND SCOPE

ESMS Policy

8. The Federal Bank already has a well-established ESMS system in place. The environmental and social management policy of the Federal Bank, was approved by the Board of Directors on July 01, 2021 and provisions to:

- a) Incorporate environmental and social risk considerations into financing activities as part of credit risk governance.
- b) Set strategic environmental and social objectives. As part of the same, Bank shall endeavour to finance green loans.
- c) Not to extend loans, which falls under the exclusion list, unless otherwise specified therein.
- d) Ensures that clients establish environmental and social requirements verifying with national environmental and social regulations and international standards such as E & S Performance Standards.
- e) Communicate environmental and social expectations to all staff, clients and other external stakeholders. Put in place a proper mechanism to enable stakeholders to raise queries / complaints with regard to E & S practices through Bank's website.
- f) Commit to improving the overall environmental and social performance of its portfolio through enhanced risk management.
- g) Commit to continually building capacity of its staff to identify environmental and social risks, including E&S and investment officers / analysts.

9. The ESMS policy of Federal Bank is well communicated to all the stakeholders, including all staff and operational employees, investors, funders, and the loanees.

10. The ESMS policy of Federal Bank covers the ESMS procedures linked to the entire credit life cycle starting from E&S due diligence, environmental and social risk assessment and ends with E&S risk monitoring and reporting. The policy is reviewed at least on an annual basis.

11. The ESMS policy of Federal Bank is implemented through eight International Finance Corporation (IFC) performance standards, that are:

- a. Performance Standard 1 - Assessment and Management of Environmental and Social Risks and Impacts
- b. Performance Standard 2 - Labour and Working Conditions
- c. Performance Standard 3 - Resource Efficiency and Pollution Prevention
- d. Performance Standard 4 - Community Health, Safety, and Security
- e. Performance Standard 5 - Land Acquisition and Involuntary Resettlement
- f. Performance Standard 6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources
- g. Performance Standard 7 - Indigenous Peoples
- h. Performance Standard 8 - Cultural Heritage

12. The Federal Bank is also committed to actively protect the interests of the Indian society and natural environment both in its internal and external operations. The Bank's ESMS policy is by and large in alignment with 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 the Bank would also expect its clients⁴ to safeguard their operations from causing any adverse harm to the community or the natural environment.

13. In addition, the Bank 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, the Bank intends to take its share of responsibility by contributing as much as the Bank can and being a role model for other organizations in India. The Bank is committed to avoiding the financing of activities that contribute significantly to the emission of greenhouse gases.

14. ESMS policy of the Federal Bank is reviewed yearly and the updated guidelines will be followed by the Bank.

Scope of ESMS Arrangement for MAGNET related portfolio (“ESMS Arrangement”)

This ESMS is applicable to the Federal Bank's MAGNET-related portfolio and will not interfere with the Bank's overall portfolio. The Federal Bank will select the loanee based on financial due-diligence of the Subprojects as per the Federal Bank's extant guidelines. For E & S screening and due-diligence/ E & S impact assessment Federal Bank will take support of PIU Officers of MAGNET and Project Implementation Support Consultant (PISC) appointed by MAGNET Society (“PISC -MAGNET”), who in turn would ensure that:

- i. All Subprojects financed by Federal Bank under MAGNET initiative be screened and evaluated on Environmental and Social Safeguard requirements as defined in this ESMS Arrangement.
- ii. All Subprojects financed by Federal Bank under MAGNET comply with relevant national, State and local laws and regulations for Environmental and Social Safeguards in India, and as per ADB SPS 2009.
- iii. All Subprojects financed by Federal Bank under MAGNET will be screened and assessed against:
 - a. the Prohibited Investment Activities List (PIAL) of the ADB Safeguard Policy Statement⁵ and;
 - b. location criteria - Subproject must not be located in any eco-sensitive⁶ zone and or within 500 meters from any national heritage zone/ structure;
 - c. any activity within Subproject if classified category "A" and/or "B" for Involuntary Resettlement (IR), and "A" for Indigenous Peoples (IP) in accordance with ADB's safeguard policy statement, 2009 – be excluded;
 - d. any activity within Subprojects if classified Environment category A in accordance with ADB's safeguard policy statement, 2009 – be excluded;
- iv. All Subprojects are screened against Environmental risks and impacts using the Environmental Safeguards Checklist (Appendix 3a and 3b)
- v. All Subprojects are screened against Indigenous People Social Safeguards Checklist (Appendix 3a and 3c)

⁴ 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.

⁵ ADB. 2009. *Safeguard Policy Statement*. Manila

⁶ 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.

- vi. All compliances / permissions / documentation / clearances as required by the government for catering to environmental and social safeguards are sought diligently;
- vii. All mitigation measures related to E & S safeguards and climate change mitigation and adaptation suggested and agreed to are regularly monitored and adhered to by the Subproject operators / owners.

III. ORGANIZATIONAL RESPONSIBILITIES, RESOURCES, AND CAPACITY

15. The Federal Bank has an implementation arrangement with MAGNET Society for execution of Subprojects as per memorandum of understanding (MoU) between the two parties. As per the MoU the Federal Bank will do the financial due-diligence of the Subprojects as per the Bank's extant guidelines and provide requisites documents, information and provide support to PISC MAGNET, who in turn will conduct all environmental and social screening, due-diligence and monitoring on behalf of the Federal Bank. The Federal Bank will allocate a dedicated E & S Manager (for MAGNET-related loans) who will be point-of-contact for all E & S related information and implementation requirements.

16. The Federal Bank in consultation with MAGNET Society and PISC - MAGNET will ensure ownership, accountability, good stewardship, transparency and proper reporting of the environmental and social safeguards processes and requirements.

17. E & S Manager Federal Bank along with PISC - MAGNET will be primarily responsible for confirming compliance of environmental and social issues as per extant guidelines of ADB. PISC MAGNET will also ensure that the resources are made available for environmental and social management.

18. All subprojects will be screened during proposal stage and assessed in detail with respect to the environment and social issues and checklists during detailed subproject designed stage. All screening and assessment outputs and decisions will be certified by PISC that the subproject meets all the requirement of the ESMS guidelines. Based on the detailed ESMS report received from PISC MAGNET, the E & S Manager of Federal Bank will be informing the loan processing team on final assessment outcome and of terms and conditions if any. The E & S Manager of the Federal Bank with support from the loan processing and monitoring team will be preparing and submitting the bi-annual (*January to June and July to December*) environmental and social performance report to the PMU.

19. The Federal Bank's E & S Manager will ensure that ADB and MAGNET Society is notified if and when the responsible staff has been changed or replaced with a new team. Similarly, MAGNET Society would inform the Bank in case the responsible staff of PISC-MAGNET Consultancy Structure be changed or replaced.

20. The Federal Bank's E & S Manager will be trained on credit, market and operational risks such that the person is able to comprehend the Subproject financial and technical risk and correlate with the E & S Safeguards requirements. Additionally, the Federal Bank's E & S Manager will also be trained and supported by the social and environmental consultants from PISC, for the social and environmental screening, categorization and impact assessment of the Subprojects as deemed necessary during the subproject cycle. The E & S Manager of Federal Bank and loan processing and monitoring team of Federal will be supported by E & S officers as well as Social and Gender officer from the regional Project Implementation Units (PIUs) of MAGNET.

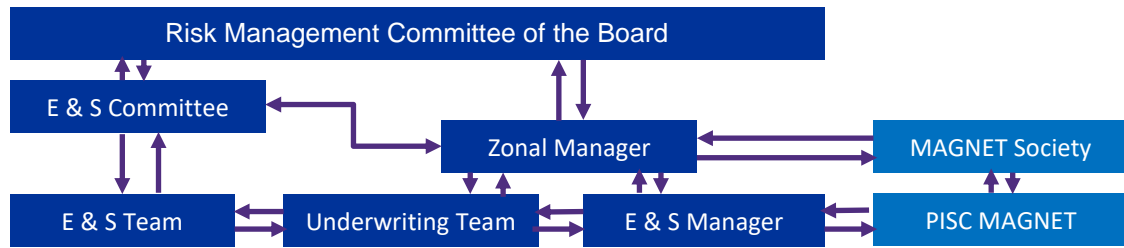


Figure 1: Institutional Arrangement for Implementation of Federal Bank's ESMS Arrangement (MAGNET)

IV. ENVIRONMENTAL AND SOCIAL MANAGEMENT PROCEDURES

21. The Table below defines the steps to be followed under this ESMS arrangement against Loan Stages as well as the Roles and Responsibilities of different institutions involved.

Table 1: Loan Stages, E & S Activities and Roles and Responsibilities

Loan Stages	E & S Activities	Roles and Responsibilities
Pre-sanction stage	Screening against Federal Bank's exclusion list and ESMS PIAL List (Appendix 2)	Federal Bank (Loan Team → Financial screening; E & S Manager – ESMS PIAL List)
	Preliminary E & S Screening and Risk categorization	<p>Collectively by Federal Bank and Project Officer (Infrastructure) and GESI officer of respective PIUs (PIU officers) with guidance from PISC MAGNET.</p> <p>Once subproject proposal is received, PIU officers will undertake preliminary screening and risk categorization based on Appendix 3a and share the same to E & S Manager of Federal Bank. Based on the details furnished by the PIU officers, E & S Manager of Federal Bank will perform checking of the proposal.</p> <p>PISC MAGNET will train the PIU officers and E & S Manager of Federal Bank and provide initial handholding on how to conduct preliminary screening based on desktop information of the Subproject using Appendix 3a.</p> <p>If E & S Manager of Federal Bank identifies any Subproject as Environmental and Indigenous People Category B Subproject, E & S Manager of Federal Bank will request PIU Officers and PISC MAGNET team for further assessment and preparation of all assessment reports/ documentation. Based on this assessment, Federal Bank will take decision to further pursue the Subproject or not.</p> <p>For all Environmental and Indigenous People Category C Subprojects, E & S Manager of Federal Bank will share initial assessment and Subproject categorization details with PISC MAGNET as and when the proposal is decided to be processes. On receipt of the details, PISC – MAGNET will revert on whether any additional terms / conditions to be stipulated for the loan, within 15 days from receiving such Subproject information.</p>
	E & S due diligence (Appendix 3a, 3b, 3c, 3d) & E & S documentation; Environmental Category	<p>Collectively by Federal Bank and PISC MAGNET.</p> <p>E & S Manager of Federal Bank will facilitate and support PIU Officers and PISC MAGNET</p>

	<p>If Environmental Category B – IEE to be prepared;</p> <p>If Environmental Category C:</p> <ol style="list-style-type: none"> environmental implications of these Subprojects need to be assessed; capacity building activities during implementation may be needed to ensure that environmental considerations are addressed; loan covenants may be needed to ensure compliance with environmental safeguards policies. <p>Indigenous People Category</p> <p>If IP Category B – Indigenous People Plan to be prepared;</p> <p>If IP Category C:</p> <ol style="list-style-type: none"> IP implications of these Subprojects need to be assessed; Capacity building activities during implementation may be needed to ensure that IP inclusion considerations are addressed; loan covenants may be needed to ensure compliance with social safeguards policies. 	<p>team in collecting all information related to Subproject for E & S assessment and documentation.</p> <p>PIU officer will conduct all assessment process and document all assessment and take decision on any other E & S documentation to be prepared. PISC team will guide the PIU Officers in this regard</p> <p>PISC MAGNET team will prepare IEE/ Indigenous People Plan for Subproject if needed.</p> <p>PISC MAGNET team will submit the assessment report, along with all filled in checklist and field assessment data/ information collected and used to Federal Bank for archiving and reporting.</p> <p>PISC MAGNET will complete IEE/ Indigenous People Plan preparation in 30 days from the day PISC MAGNET receives notification from Federal Bank on Subproject Categorization as Category B.</p> <p>In case PIU Officers assess that Subproject is Category C (both environmental and social or either one), it should notify Federal Bank of the same and share final assessment along with E & S Category and risk memo within 15 days.</p>
Sanction / Decision making stage	E & S decision making (along with finalized E & S category) & risk memo	PISC MAGNET basis assessment done by PIU officers
	E & S loan covenants and action plan	Collectively by Federal Bank and PISC MAGNET
Disbursement stage	Agreement and other documentation	Federal Bank
Post disbursal stage	Periodic monitoring of E & S covenants and action plan	Collectively by Federal Bank and PIU Officers with support from PISC MAGNET
	Reporting (Internal, External & Statutory)	Federal Bank

Screening and Categorization

22. The ADB's SPS, 2009 require that (i) impacts are identified and assessed early in the Subproject 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 Subproject preparation and implementation. This section is guided by the same principle.

23. At an initial stage of loan application by Subproject proponent, Federal Bank will conduct the initial financial screening as per the standard checklist of the bank⁷. Federal Bank will also check the proposal against the its Exclusion List and ADB's PIAL list as given under Appendix 2 of this ESMS Arrangement.

24. Where a prospective client is involved in any of the Exclusion Listed 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 E & S Manager of Federal Bank will bring the Subproject's environmental and social selection criteria to the Subproject proponent's attention and inform the same to Loan Team in writing for the record purpose.

25. The Subproject proposals will then be screened by PIU officers on E & S Categorization based on Appendix 3a and Federal Bank will provide necessary support and assistance to PIU officers for the purpose of screening. PISC MAGNET will support PIU officers to conduct the screening.

26. The environmental and social experts of PISC MAGNET with support from PIU officers will work with the applicant for a quick evaluation of the likely environmental and social impact (involuntary resettlement and indigenous people). The environmental assessment checklist (Appendix 3b), the indigenous peoples screening checklist (Appendix 3c) are designed to guide the PISC and the Federal Bank's clients⁸ 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 Subproject identification.

27. Once the checklists and the verification work are done / carried out by the PIU officers with support from PISC, 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 Subproject by identifying 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.

28. E & S screening will be mandatory for all Subprojects to be financed under MAGNET Subproject, and the Federal Bank will inform the applicant subproject/company of the applicable requirements as presented in in Table 2. For applicant's subprojects with potential environmental and/or social impacts, the Federal Bank with the support from PISC MAGNET will advise the applicant subproject/company that (i) the Safeguard Requirements of the ADB Safeguard Policy Statement and country's laws and regulations will apply, including the preparation of relevant safeguard documents.

29. Subproject requiring land acquisition, involuntary resettlement, or leading to adverse impact on indigenous people, or if it is likely to have significant adverse environmental impacts that are sensitive,

⁷ 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.

⁸ Series of capacity building exercises and orientation on ADB's SPS 2009 (safeguards policies), including PIAL, will be organized by MAGNET

diverse, or unprecedented, and affect an area broader than the sites or facilities subject to physical works will be excluded from MAGNET Subproject financing.

30. Only Subprojects classified as “B” (medium risk) and “C” (low risk) for the Environment and “Indigenous Peoples are allowed to be funded under MAGNET.

31. 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 6, or an Indigenous Peoples plan (IPP), using Appendix 7. All expenses required to be made for preparation of safeguard documents will be borne by the MAGNET Society routed through PISC team.

32. On this basis, the PISC MAGNET will indicate the applicable environmental and social safeguard requirements for the subproject, i.e., IEE and EMP, and IPP (at screening stage). The loan application assessment team of the Federal Bank 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, no further action required	Excluded, no further action required	Excluded, no further action required
	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% or more of their productive assets (income generating).			
	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,			

Category (Risk Rating)	Definition	Environmental	Involuntary Resettlement	Indigenous Peoples
	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.			
Category B	If subproject's potentially adverse environmental impacts are less adverse than category A subprojects. 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 subprojects	Comply with national laws, ADB PIAL, & sector exclusions Prepare Initial Environmental Examination (IEE)	Excluded, no further assessment	An Indigenous Peoples Plan (IPP), including assessment of social impacts, is required
	If the subproject includes involuntary resettlement impacts that are not deemed significant			
	If the subproject is likely to have limited impacts on Indigenous Peoples			
Category C	If the subproject is likely to have minimal or no adverse environmental impacts	Comply with national laws, ADB PIAL, & sector exclusions	No impacts. No further action required	No impacts. No further action required
	If the subproject has no involuntary resettlement impacts.			
	If the subproject is not expected to have impacts on Indigenous Peoples			

33. The Bank will record environmental and social categorization documents of all subprojects with the categorization results, and summary of these reports will be included into the bi-annual performance report and available for review by ADB Mission Members during ADB Review Missions.

34. Once the safeguard categorizations are completed for the subprojects, candidate subproject will be screened out (excluded) or pre-selected. The pre-selected subprojects will be taken forward to due diligence.

Due-Diligence

35. 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 or based on detailed site assessment.

36. If during the screening process any proposed subproject is categorised as Environmental or Indigenous People Category B subproject, E & S Manager of Federal Bank will request PIU Officers and PISC team for further assessment and preparation of all assessment reports/ documentation. Based on this assessment, Federal Bank will take decision to further pursue the loan application or not.

37. For all Environmental or Indigenous People Category C subprojects, E & S Manager of Federal Bank will share initial assessment and subproject categorization details with PISC MAGNET as and when the proposal is decided to be processed. On receipt of the details, PISC – MAGNET will revert on whether any additional terms / conditions to be stipulated for the loan, within 15 days from receiving such Subproject information

38. For all category B subprojects, an assessment report will be prepared by PIU Officer and submitted to Federal Bank also with additional documentation as per ADB's SPS, 2009 requirement. For environment and/or Indigenous Peoples category B subprojects, an IEE and/or IPP, as relevant, will be prepared and will take into account of the findings of the assessment report. For category C subprojects, it must be addressed through an appropriate action plan and GESI covenants requirements.

39. The Federal Bank will do the financial due-diligence of the Subprojects as per the bank's extant guidelines at this stage.

Compliance, Monitoring, and Reporting

40. Federal Bank will: (i) maintain regular communications (through e-mail/phone) with the Subproject proponent/ borrower and ensure Subproject is undertaking the obligations of compliance with all applicable environmental and social safeguard requirements including the PIAL, EMP, IPP with the confirmation and support of PISC MAGNET; and (ii) get copies of monitoring reports of the Subproject, and conduct site visits (whenever required) and prepare site inspection reports. All reports prepared by the owners and credit/monitoring officers are required to be kept by the E & S Manager of Federal Bank in a track record system.

41. During the subproject implementation, the PISC will support Federal Bank in ensuring that environmental and social mitigation measures are implemented and Subproject comply with: (i) all applicable national laws and regulations relating to the environment; (ii) core labour 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 labour⁹; (c) no discrimination against workers in respect of employment and occupation; and (d) no use of forced labour and (iii) recommendations and requirements indicated in the IEE, EMP and IPP. The Federal Bank and PISC will ensure that the workers engaged by the borrower 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.

42. In the case of non-compliance, based on who identifies – either Federal Bank team or PISC team both parties will inform each other within 36 hours of identification. If there is a major unanticipated

⁹ 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).*

environment and social management inconformity which also includes (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 - PISC MAGNET along with Federal Bank will work with the borrower to bring the subproject back into compliance and the same would be supervised by E & S Manager of Federal Bank.

43. The E & S Manager will evaluate the E & S performance of category B and C subprojects, on an annual basis in the following 10 years whereas PISC will support till the end of the project. . 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. Based on these reports, quarterly site visits, and semi-annual progress reports, the E & S Manager will review and assess the Subproject's environmental and social safeguard performance.

44. In case any environmental and/or social incident related to Subproject activities/area during reporting period, the E & S Manager or PISC- MAGNET shall prepare an incident report and submit it to the E & S Manager who in turn would attach it to the environmental and social monitoring report using an incident report form (Appendix 9) including identification of corrective action. In the event of an unanticipated impacts or major changes in Subproject scope, the categorization will be reconfirmed, and it may be necessary to update the IEE/ IPP, and prepare a CAP in accordance with ADB's SPS 2009 requirements.

45. Based on all loan Subproject's environmental and social safeguard performance, the E & S Manager will prepare a bi-annual Environmental & Social Monitoring Report of the Federal Bank (Appendix 8) by end of 15th July and 20th January every year and submit it to the PMU of the executing agency (MAGNET Society) for endorsement. MAGNET Society will collectively share all FI's and Matching Grant and other MAGNET activities E & S monitoring report.

Grievance Redress Mechanism

46. The Federal Bank already has a Grievance Redressal Mechanism¹⁰ in place to redress all business and service-related grievances, and the same would be utilized for the MAGNET subproject. A coordinated system will be in place to receive evaluate and address complaints from the general public/subproject affected people regarding potential E & S violations committed by the Subprojects financed by the Federal Bank under MAGNET. Additionally, the Grievance Redressal Mechanism followed by MAGNET Society will also be extended to capture grievance if any for the subproject supported by Federal Bank under MAGNET. Table below details out Federal Bank's Grievance Redressal Mechanism.

Level of addressing grievance	Action to be taken	Responsibility	Timeline
First level	<ul style="list-style-type: none"> In case of any complaint, the matter may be first brought to the notice of concerned Branch Manager. 	Branch Manager of respective branch (supported by	5 days.

¹⁰ Grievance Redressal Policy, Federal Bank, <https://www.federalbank.co.in/grievance-redressal>

Level of addressing grievance	Action to be taken	Responsibility	Timeline
	<ul style="list-style-type: none"> The Branch manager will review the nature of complaint whether related to business/service of the bank or E&S safeguards. The business/ service-related complaints will be redressed by the Branch Manager. Safeguards related complaints will be forwarded to the MAGNET Society GRM. 	person in charge of Administration & Services)	
	<ul style="list-style-type: none"> Alternatively, customer may register complaint online at the Bank's website. Upon lodging the complaint in the online system provides a "Tracker ID" as an acknowledgement and also to track the progress of the complaint. Complainant has to preserve the "Tracker ID" for future reference. 		
	<ul style="list-style-type: none"> Branch Manager will address the grievance 		
	<ul style="list-style-type: none"> Sending reply of the grievance to the aggrieved person If cannot be addressed at the level of Branch it will be automatically escalated to the respective Zonal office 		
Second level	<ul style="list-style-type: none"> Zonal Nodal Officer will address the grievance 	Zonal Nodal Officer (GR) of Maharashtra zone is assisted by team of officers for liasioning with Banking Ombudsman offices	2 weeks
	<ul style="list-style-type: none"> Sending reply of the grievance to the aggrieved person 		
	<ul style="list-style-type: none"> If cannot be addressed at the level of Zonal Nodal Officer it will be automatically escalated to the respective Principal Nodal Officer (Executive Director and Principal Nodal Officer) 		
Third Level	<ul style="list-style-type: none"> Principal Nodal Officer will address the grievance 	Executive Director and Principal Nodal Officer is supported by a team;	2 weeks
	<ul style="list-style-type: none"> Sending reply of the grievance to the aggrieved person 		
	<ul style="list-style-type: none"> Review and approval of all products and processes from the customer service perspective in collaboration with other functional heads. 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	<ul style="list-style-type: none"> Even after this, the complainant is not satisfied, he/ she is free to take recourse with the Banking 	Banking Ombudsman, RBI	1 month

Level of addressing grievance	Action to be taken	Responsibility	Timeline
	Ombudsman located in State Capitals under RBI Ombudsman Scheme 2006.		

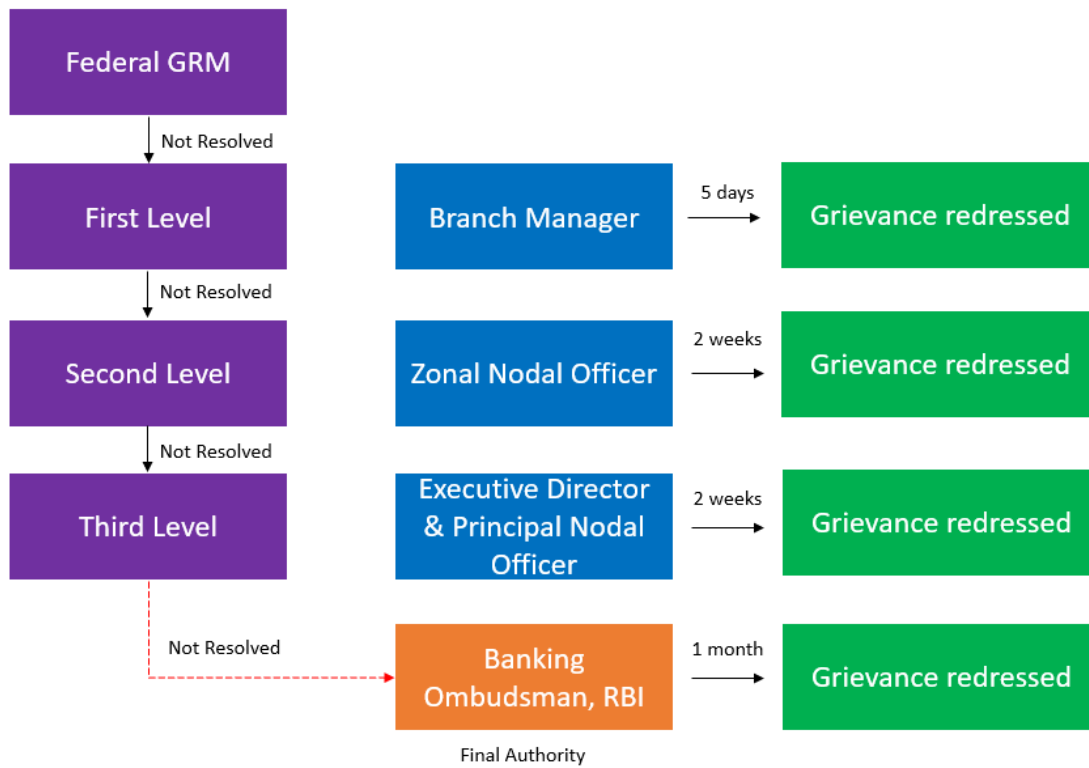


Figure 2: Federal Bank Grievance Redressal Mechanism

V. Capacity Building

47. For effective and efficient environmental and social safeguard systems implementation among the Federal Bank staff, they will be trained on conducting the environmental and social due diligence according to the SPS (2009) and be able to screen and oversee completion of required due diligence of Subprojects.

48. MAGNET PMU along with PISC MAGNET and ADB will organize all training and orientation sessions related to E & S Safeguards. The designated ESMS manager, ESMS associates and others related with MAGNET / ESMS implementation will participate in the training.

49. Throughout the subproject, required training and hands-on experience with overseeing and conducting environmental and social due diligence for category B subprojects will be provided to the Federal Bank's staff and related stakeholders. As the Bank's 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 3: Capacity building training on environmental and social management

Training Topic	Trainer	Attendee	Contents	Timeline
ADB Safeguard Policies	<p>PISC, ADB Consultants</p> <p>Note: all subprojects must receive this training prior to subproject implementation)</p>	Federal BANK staff involved in ESMS, Project Officer (Infrastructure), GESI officer of PIUs	<ul style="list-style-type: none"> The subproject'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

Training Topic	Trainer	Attendee	Contents	Timeline
Subproject screening and categorization, and due diligence activities	PISC, ADB Consultants	Federal Bank staff involved in ESMS, Project Officer (Infrastructure), GESI officer of PIUs	<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
Monitoring and Evaluation and Corrective Action Plan preparation	PMU and PISC	Federal Bank staff involved in ESMS	<ul style="list-style-type: none"> Reporting formats, monitoring of subprojects and preparation of a CAP 	During implementation
GRM	PMU and PISC consultants	Federal Bank 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	Federal Bank staff involved in ESMS, Subproject Officer (Infrastructure), GESI officer of PIUs	<ul style="list-style-type: none"> ESMS objectives, contents, subproject criteria, other issues regarding ESMS 	During subproject implementation

VI. APPENDIX

APPENDIX 1: List of Applicable Environmental and Social Laws and Regulations

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 subprojects 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 subproject 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 subprojects.

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 subproject 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 subproject 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 subprojects. The NRRP focuses on providing basic rehabilitation measures for populations involuntarily displaced by subprojects and requires that subprojects 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 subproject affected persons better. The Act aligns its provisions to the goals and objectives of the NRRP, 2007.

Other Relevant Social Legislations. The following are the other relevant social legislations: Scheduled Caste and Scheduled Tribes (Prevention of Atrocities Act), 1989; Provisions of the Panchayat (Extension to Scheduled Areas) Act, 1996; The Constitution (Eighty-Ninth Amendment) Act, 2003; The Scheduled Tribe and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006.

APPENDIX 2: Subproject'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 Federal 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 labor¹¹ or child labor¹²
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) pharmaceuticals¹³, pesticides, and herbicides¹⁴, (b) ozone-depleting substances¹⁵, (c) polychlorinated biphenyls and other hazardous chemicals¹⁶, (d) wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora¹⁷, and (e) transboundary trade in waste or waste products¹⁸
5. Production of or trade in weapons and munitions, including paramilitary materials
6. Production of or trade in alcoholic beverages, excluding beer and wine¹⁹
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,²⁰ including nuclear reactors and components thereof
10. Production of, trade in, or use of unbonded asbestos fibers²¹
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
13. Mining activities
14. Activities involving genetically modified organisms.

¹¹ Forced labor means all work or services not voluntarily performed, that is, extracted from individuals under threat of force or penalty

¹² 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).

¹³ A list of pharmaceutical products subject to phaseouts or bans is available at <http://www.who.int>.

¹⁴ A list of pesticides and herbicides subject to phaseouts or bans is available at <http://www.pic.int>

¹⁵ 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>.

¹⁶ A list of hazardous chemicals is available at <http://www.pic.int>.

¹⁷ A list is available at <http://www.cites.org>.

¹⁸ As defined by the Basel Convention; see <http://www.basel.int>.

¹⁹ 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.

²⁰ 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

²¹ This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

APPENDIX 3a. Environmental and Social Safeguards Screening and Categorization

The PISC -MAGNET uses this tool to categorize a subproject 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 Subproject 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>The following locations for prospective subprojects suggest a Category A classification:</i></p> <p><i>(i) in or near sensitive and valuable ecosystems (e.g., protected areas, wetlands, wild lands, coral reefs, and habitats of endangered species);</i></p> <p><i>(ii) in or near areas with cultural heritage sites (e.g. archaeological, historical sites or existing cultural sites);</i></p> <p><i>(iii) densely populated areas where resettlement of people due to Subproject may be required;</i></p> <p><i>(iv) critically polluted area as identified by the Central/ State Pollution Control Board;</i></p> <p><i>(iv) regions subject to heavy development activities or where there are conflicts in natural resource allocation such as water (located in drought declared area and construction are restricted);</i></p> <p><i>(v) near to watercourses (river within 500mts, aquifer recharge areas, or reservoir catchments used for potable water supply; and</i></p> <p><i>(vi) lands or waters containing valuable resources (e.g. fisheries, minerals, medicinal plants, prime agricultural soils).</i></p> <p><i>(vii) located within 500mts of interstate boundaries or international borders;</i></p> <p><i>(viii) Post Harvest Infrastructure (large scale) - Annually processing over 20,000 tons of output; or total built-up area more than 50,000 square meters (where built-up area is covered area on all the floors put together including its basement and other service areas).</i></p>	<p><i>Post Harvest Infrastructure (medium scale) - Annually processing over 10,000 tons of output; or total built-up area more than 20,000 square meters (where built-up area is covered area on all the floors put together including its basement and other service areas);</i></p> <p>Subproject proposes to use any hazardous material listed under Schedule 1 of Manufacture, Storage and import of Hazardous Chemical Rules, 1989;</p> <p>Grinding of products using machine more than 30 HP (horse power);</p> <p>A subproject is classified as Category B if its potential adverse environmental impacts on human populations or environmentally important areas, (e.g., wetlands, forests, grasslands, and other natural habitats) are less adverse than those of Category A subprojects. These impacts are site-specific, and few are irreversible. In most cases, mitigation measures can be designed more readily than for Category A subprojects.</p>	<p>- All subprojects that are not Categorized as A or B.</p>

<p>Subproject leading to any kind involuntary resettlement to be assessed using checklist – 3c</p> <p>Subproject leading to impact of Indigenous people to be assessed using checklist 3d</p>		
---	--	--

APPENDIX 3b. Environmental Assessment Checklist

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 subproject 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 subproject generate substantial non-biodegradable solid wastes?	<input type="checkbox"/>	<input type="checkbox"/>	
Toxic wastes – Will the subproject generate any toxic wastes?	<input type="checkbox"/>	<input type="checkbox"/>	
Presence of Eco-sensitive zone – Will the subproject 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 subproject cause seepage of toxic chemicals and wastes into the ground?	<input type="checkbox"/>	<input type="checkbox"/>	
Biodiversity loss – will the subproject 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 subproject involve emission of GHGs, particularly CO2, NOX, dust, particulate matter etc.?	<input type="checkbox"/>	<input type="checkbox"/>	
Usage of chemicals – Will the subproject use chemicals such as refrigerants which cause global warming?	<input type="checkbox"/>	<input type="checkbox"/>	
D. Flora and Fauna			
Will the subproject 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 subproject 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 subproject	<input type="checkbox"/>	<input type="checkbox"/>	
Are there any migratory routes of animals and or bird within the subproject influence zone (500mts)	<input type="checkbox"/>	<input type="checkbox"/>	
Is there any forest (reserved/ protected/ community forest) area within the subproject influence zone?	<input type="checkbox"/>	<input type="checkbox"/>	
E. Climate Vulnerability			
Is the subproject located in drought or flood prone areas	<input type="checkbox"/>	<input type="checkbox"/>	
Is the subproject located within critical watershed	<input type="checkbox"/>	<input type="checkbox"/>	
Is the subproject located in Coastal Regulatory Zone or within Hazard-line defined by Survey of India	<input type="checkbox"/>	<input type="checkbox"/>	
Will the subproject be exposed to high temperature increase (including heat-wave)	<input type="checkbox"/>	<input type="checkbox"/>	

Will the subproject be exposed to highly intensive rainfall	<input type="checkbox"/>	<input type="checkbox"/>	
Will the subproject be exposed to cyclone/ storm surges	<input type="checkbox"/>	<input type="checkbox"/>	
F. Socio-economic factors			
Does the subproject involve occupational health safety issues?	<input type="checkbox"/>	<input type="checkbox"/>	
Does the subproject involve health hazards?	<input type="checkbox"/>	<input type="checkbox"/>	
Does the subproject involve land acquisition?	<input type="checkbox"/>	<input type="checkbox"/>	
Does the subproject involve loss of the access to sources of income?	<input type="checkbox"/>	<input type="checkbox"/>	
Does the subproject involve disturbance of residents living near the subproject area?	<input type="checkbox"/>	<input type="checkbox"/>	
Does the subproject 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 subproject influence area – school, hospital, health clinic, market area, etc.	<input type="checkbox"/>	<input type="checkbox"/>	
Does the subproject require public consultation to consider local people environmental concerns and inputs?	<input type="checkbox"/>	<input type="checkbox"/>	

If the Subproject has been proposed within the premise of any existing unit, answers to the following questions.

Assessment 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 have SOP in place for handling and management of hazardous waste if any being generate at site				

APPENDIX 3c. Involuntary Resettlement Screening 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 removal or displacement of renters, or leaseholders?				If yes, exclude from financing.
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 subproject 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 subproject 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	Prepared by:	
	Name and Signature	
	Designation: PISC	

Category A Significant Impact ²² <input type="checkbox"/> exclude from financing Category B Limited Impact exclude from <input type="checkbox"/> financing Category C No impact <input type="checkbox"/>	(Authorised Signatory)	
	Date:	
	Approved by:	
	Name and Signature	
	Designation: PISC (Authorised Signatory)	
	Date:	

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

²² 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 (to be provided by PISC MAGNET)

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 subproject area who may be considered as "tribes" (hill tribes, scheduled tribes, tribal peoples), "minorities" (ethnic or national minorities), or "indigenous communities" in the subproject 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 subproject 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?				
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				

KEY CONCERNS (Please provide elaborations on the Remarks column)	YES	NO	NOT KNOWN	Remarks
9. Will the subproject directly or indirectly benefit or target Indigenous Peoples?				If impact is negative, exclude from financing
10. Will the subproject 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 subproject 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 subproject 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 subproject 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
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 subproject impacts on Indigenous Peoples

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

4.		
5.		

Note: The subproject team may attach additional information on the subproject, 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: 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 subproject and in context to the subproject site. The level of detail and comprehensiveness of an environmental examination report should be commensurate with the impacts and risks of the subproject. Nevertheless, environmental examination and management for ADB-supported subprojects typically includes the following:

- **Executive Summary:** This section describes concisely the critical facts, significant findings, and recommended actions.
- **Subproject Description:** Summarizes the subproject site, design, and operation details to provide an understanding of the subproject, its activities, and environmental impacts.
- **Policy, Legal and Administrative Framework:** Describes relevant national and local laws, and regulations and policies that the subproject 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 subproject 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 subproject 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 subproject to the general public, affected communities and other stakeholders, starting early during subproject development and continuing throughout the life of the subproject.
- **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 subproject-related concerns, complaints, and grievances.

EMP matrix²³:

Subproject 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 subproject 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 turfing to avoid soil erosion once construction work is over		
	GHG emission	Emission from vegetation burning (if any)	Tree transplanted 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					

²³ Information on the matrix are only samples.

APPENDIX 5: Outline of an Indigenous Peoples Plan (to be ensured by PISC- MAGNET)

This outline is part of the Safeguard Requirements 3. An Indigenous Peoples plan (IPP) is required for all subprojects 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 Subproject

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

C. Social Impact Assessment

This section:

- (i) reviews the legal and institutional framework applicable to Indigenous Peoples in subproject 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 subproject stakeholders and elaborate a culturally appropriate and gender-sensitive process for meaningful consultation with Indigenous Peoples at each stage of subproject 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 subproject. 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 subproject 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 subproject.

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 subproject 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 subproject design;
- (iii) in the case of subproject 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 subproject 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 subproject area; and (b) Indigenous Peoples organizations in the subproject 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 subproject 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 6: Suggested Outline of Safeguard Due Diligence Briefing Note During Review

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.

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 Federal Bank (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 8: 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:	
----------------------------------	--	--------------------	--

Incident details	Site manager/PFI ESMS team to complete	Incident report number
Date of incident:	<input type="text"/>	Time:
		<input type="text"/>
		(ESMS Manager to complete)

- Exact location of the incident, including Region²⁴
- What type of activity was the team engaged in when the incident occurred?
- Who notified you of the incident? (e.g. employee, local authority, member of public): Name and phone no. of complainant:
- Name and phone no. of complainant:

Nature and level of the incident

- | | |
|--------------------------------|--|
| <input type="checkbox"/> Major | <input type="checkbox"/> Minor ²⁵ |
|--------------------------------|--|
- Chemical spill (incl. fuel)
 Air emission
 noise complaint
 Unauthorized removal of vegetation
- Contaminated water discharged (not muddy water)
 Erosion & sedimentation
 Other: (specify)

- Description of the incident²⁶

<input type="text"/>
Estimated quantity, volume or area involved (include unit of measure)

Immediate actions taken and control measures implemented²⁷

<input type="text"/>

²⁴ **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.

²⁵ **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'

²⁶ **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.

²⁷ Describe the actions taken immediately to minimize the impact of the incident.

--

6. Proposed corrective (or preventive) action²⁸

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 notified ²⁹
--

7. Follow up actions undertaken

²⁸ Provide details of actions implemented to clean up and remediate the affected area and actions implemented to prevent the incident from occurring again.

²⁹ 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 9: Social Safeguard Incident Report 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)

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

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

Nature and level of the incident

- Land acquisition
 Loss of shelter or livelihood due to land acquisition
 Physical displacement of Indigenous community/groups
 Unauthorized removal of vegetation or agriculture plantation
- Other: (specify)

12. 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) 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'

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 impact, number of people (include unit of measure)

Immediate actions taken and control measures implemented³³

13. Proposed corrective (or preventive) action³⁴

Actions taken	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 notified ³⁵
--

14. Follow up actions undertaken

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

³⁴ Provide details of actions implemented to reduce the risk.

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.