



# Assessment and Management of Environmental and Social Risks

Environmental and Social Standard 1 (ESS1)\*



## WHAT IS THE PROPOSED STANDARD ABOUT?

All projects financed or administered by ADB require an assessment by the borrower/client of the risks and impacts that they may have on the environment and on people. The proposed Environmental and Social Standard 1 (ESS1) is the overarching standard of the ADB's proposed Environmental and Social Framework (ESF) that provides the basis for an integrated Environmental and Social (E&S) assessment process for a project. This will be undertaken in a risk-based and proportionate manner based on the potential risks and impacts of a project. The proposed standard builds on the E&S assessment and management requirements under the Safeguard Policy Statement (2009).

\* The full text of ESS1 is at [Safeguard Policy Review: Draft Policy | Asian Development Bank \(adb.org\)](https://www.adb.org/who-we-are/safeguards/safeguard-policy-review/draft-policy). <https://www.adb.org/who-we-are/safeguards/safeguard-policy-review/draft-policy>. This information brochure was prepared based on the consultation draft of the proposed Environmental and Social Framework (ESF) for information purpose only. Guidance from the ADB Board of Directors will be sought on the full text of the proposed ESF as part of the Working Paper, scheduled in Q4 2023. The final ESF will be considered for approval by the ADB Board of Directors in 2024.



**SAFEGUARD  
POLICY REVIEW  
AND UPDATE**





## The objectives of this standard are to:

- screen and scope, assess, manage, and monitor the E&S risks and impacts of a project;
- adopt a mitigation hierarchy approach;
- require that a project is environmentally and socially sound and sustainable, and support the integration of E&S considerations into the project decision-making process;
- adopt differentiated measures so that adverse impacts do not fall disproportionately on the disadvantaged or vulnerable, taking into account gender-related risks, and ensure that they are not disadvantaged in sharing development benefits and opportunities resulting from a project; and
- promote improved E&S performance, in ways which recognize and enhance borrower/client capacity.

This proposed standard sets out how the borrower/client will identify the potential E&S risks and impacts that could arise during a project, conduct studies to analyze such risks and impacts, and apply the mitigation hierarchy. Based on the risks and impacts identified, the borrower/client will screen which of the other ESSs are relevant to the project and will include them in establishing the scope of the environmental and social assessment. The assessment will inform the design of the project and be used to identify mitigation measures and actions and to improve decision making. The assessment and management of E&S risks and impacts will be undertaken in a systematic manner throughout a project cycle and will be proportionate to the nature and scale of potential risks and impacts. This means, a project that has the potential for significant E&S impacts will require a more comprehensive E&S assessment.



# WHAT ARE THE NEW AND IMPROVED POLICY PROVISIONS?

1



## **Integrated E&S Assessment**

The borrower/client will assess all direct, indirect, and cumulative E&S risks and impacts of a project such that relevant E&S factors are considered in a non-fragmented manner, factoring the interdependence of E&S risks and impacts.

2



## **Consideration of environmental and social factors**

E&S risks and impacts that may be relevant to a project are described in ESSs2-10, and include labor and working conditions, pollution, safety and security of project workers and communities, biodiversity, cultural heritage, climate change, land acquisition and land use restrictions, Indigenous Peoples, and risk to disadvantaged or vulnerable; data privacy; impacts that fall disproportionately on the disadvantaged or vulnerable; and gender-related risks.

3



## **Application of ESS requirements on associated facilities**

The definition of “associated facilities” has been refined and now refers to new facilities that are not funded by ADB and fulfill the following three conditions: (i) directly and significantly related; (ii) developed or contemporaneously planned; and (iii) necessary for the project to be viable and would not have been developed if the project did not exist. ESSs apply to the associated facilities to the extent of the borrower’s/client’s control/influence over the associated facilities.

4



## **Strengthened provisions for addressing risks to disadvantaged or vulnerable groups**

As part of the E&S assessment process, the borrower/client will determine whether there are any project affected persons that may be disproportionately affected by a project because of their disadvantaged or vulnerable status. Where such persons are identified, the borrower/client will design and implement differentiated measures, based on project circumstances and country context, so that adverse impacts are mitigated and do not fall disproportionately on them, and they share equitably in project benefits and opportunities.

A young child in a striped shirt is seen from the side, reaching out towards a large metal cage filled with sorted waste, including plastic bottles and other debris. The scene is set in an outdoor recycling facility with a blue tint.

5



### **Improving E&S readiness**

All E&S assessment requirements under the relevant ESSs are to be identified and undertaken to the extent possible to the satisfaction of ADB to enhance E&S readiness of a project.

6



### **Use of a risk-based adaptive management using an Environment and Social Commitment/ Action Plan**

Under the risk-based adaptive management approach, based on the review of the E&S assessment, ADB and a borrower/client will agree on an instrument called an environmental and social commitment plan or action plan (ESCP/ESAP). The plan will contain measures and actions necessary to meet the requirements of the ESSs and implemented over a specified timeframe post approval of a project. A borrower's/client's E&S performance of a project will be monitored in accordance with the requirements in the ESCP/ESAP, proportionate to the potential risks and impacts of a project. A draft ESCP/ESAP will be disclosed as early as possible.

7



### **Adoption of a common approach in co-financed projects**

ADB, co-financers, and the borrower/client may agree on a common approach in the assessment, development, and implementation of a project where such an approach enables a project to achieve objectives materially consistent with the ESSs.



8



### Monitoring

The reporting frequency is semiannual for high and substantial risks, and at least annual for moderate and low risks, or as agreed between ADB and the borrower/client and reflected in an ESCP/ESAP.

9



### Management of contractors by the borrower/client

The borrower/client will require that all contractors and sub-contractors engaged on a project operate in a manner consistent with the requirements of the relevant ESSs and ESCP.

