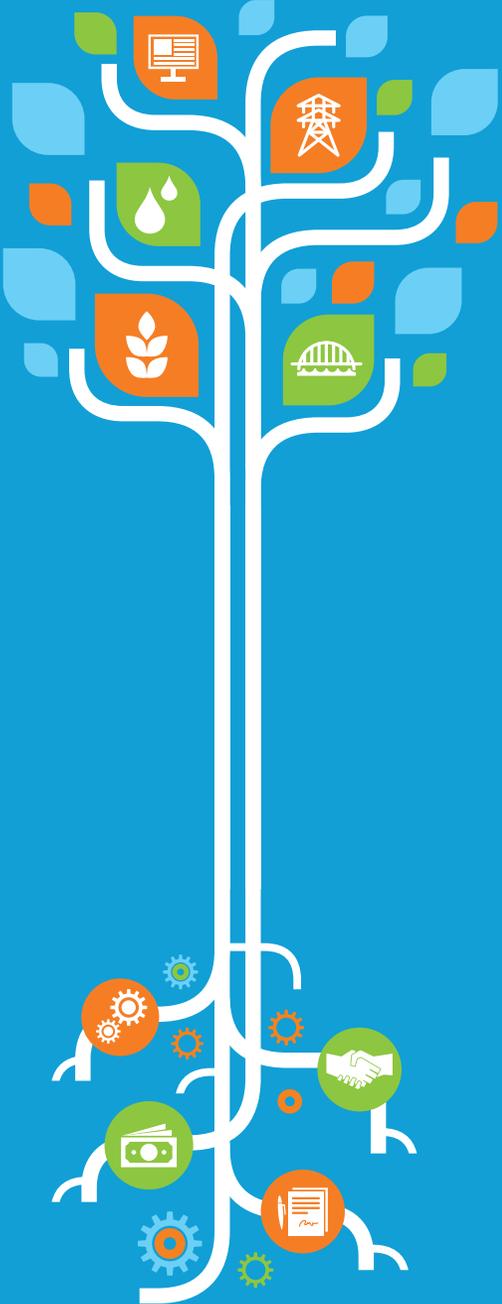


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Business Opportunities in ADB Administered and Financed Projects

ADB Safeguards

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Arnaud Heckmann
Principal Urban Development Specialist
Asian Development Bank

BUSINESS 
OPPORTUNITIES

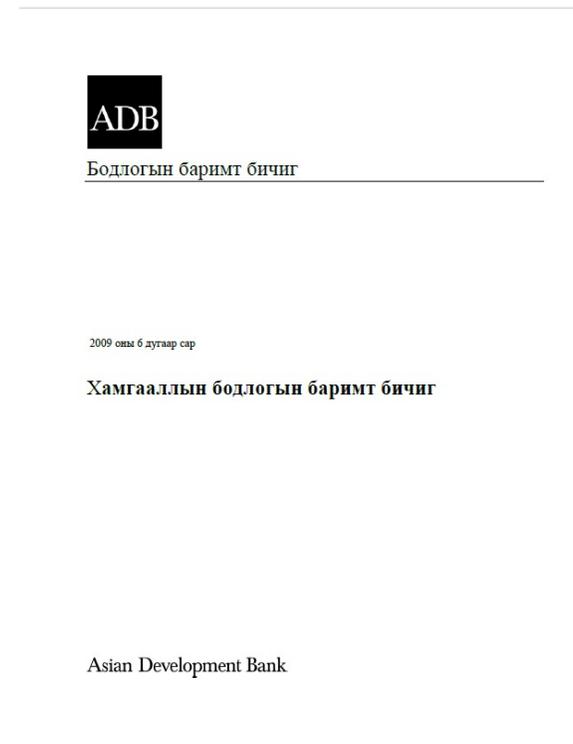
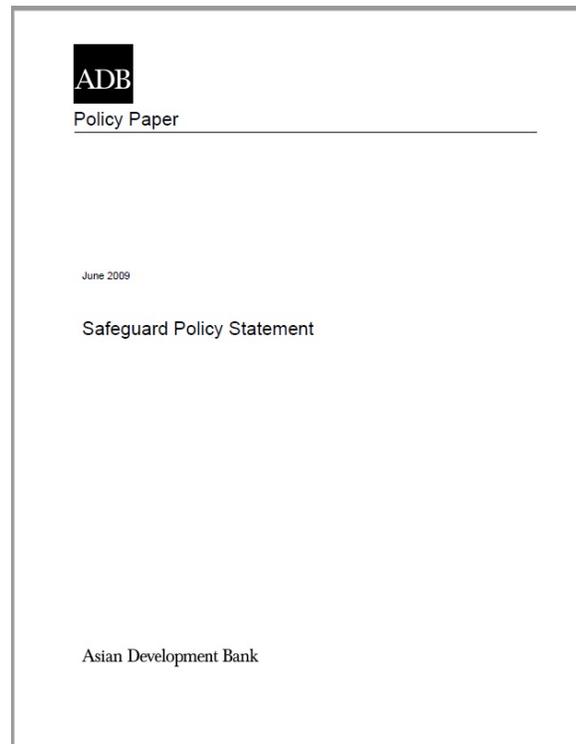
Overview

1. ADB Safeguards
2. Environment Safeguards
3. Involuntary Resettlement
4. Indigenous People
5. Environment Management Plan (EMP)
6. Grievance Redress Mechanism



ADB Safeguards

- The Safeguard Policy Statement (2009) builds upon the three previous safeguard policies on the **environment, involuntary resettlement, and indigenous peoples**, and brings them into a consolidated policy framework.
- <https://www.adb.org/mn/documents/safeguard-policy-statement>



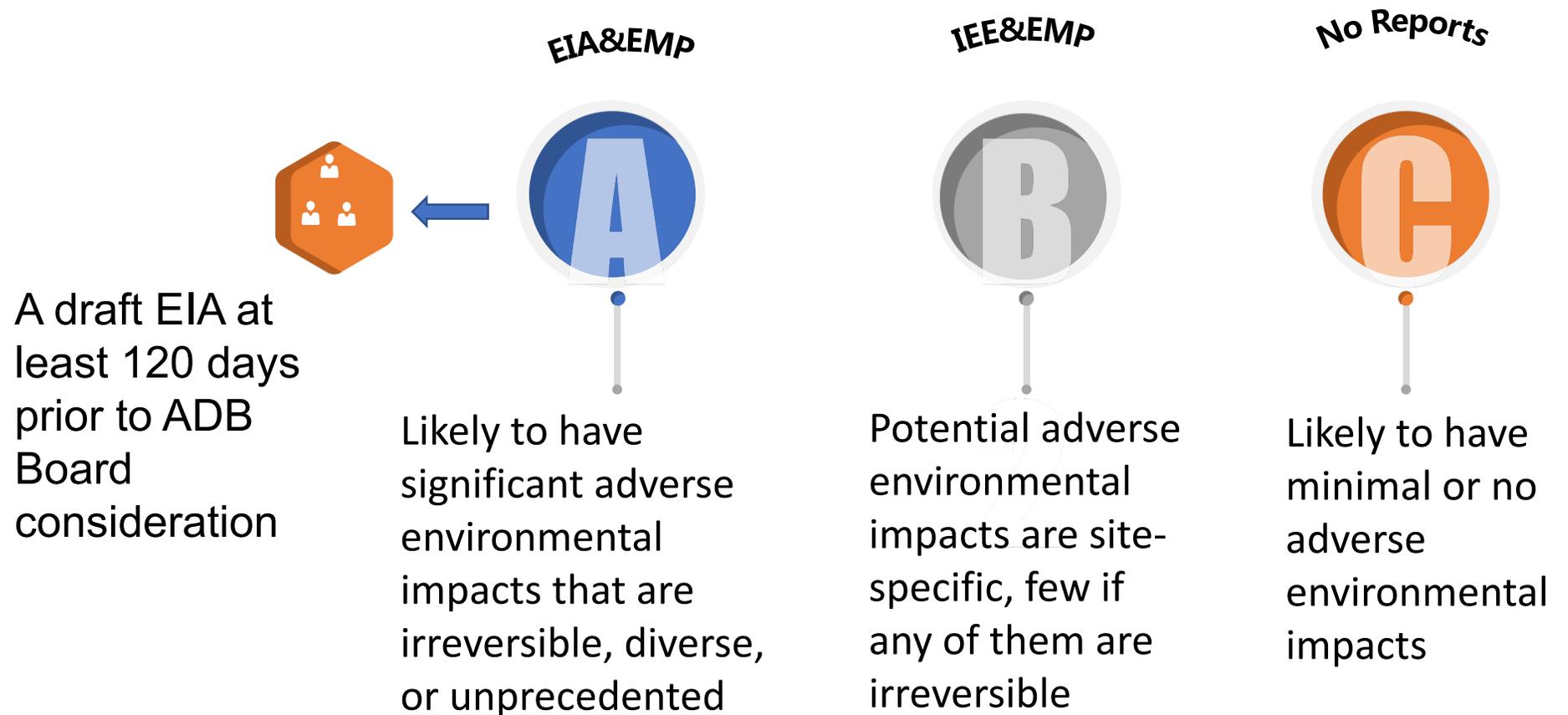
ADB Safeguards

The objectives of ADB's safeguards are to:

- (i) avoid adverse impacts of projects on the environment and affected people, where possible;
- (ii) minimize, mitigate, and/or compensate for adverse project impacts on the environment and affected people when avoidance is not possible; and
- (iii) help borrowers/clients to strengthen their safeguard

Environment Safeguards

Categorization



Environment Safeguards

Major Elements of Typical EIA/IEE report

1. Executive Summary
2. Policy, Legal and Administrative Framework
3. Description of the Project
4. Description of the Environment (Baseline Data)
5. Anticipated Environmental Impacts and Mitigation Measures
6. Analysis of Alternatives
7. Information Disclosure, Consultation, and Participation
8. Grievance Redress Mechanism
- 9. Environmental Management Plan(s)**
10. Conclusion and Recommendations

▶ EMPs that come with EIAs/ IEEs will be included in the bidding documents as well as in the contractor's contracts.

▶ The EMPs will be reflecting ADB SPS requirements such as international environment standards but not only domestic standards that the contractors need to comply with.

Involuntary Resettlement

ADB SPS applies to all ADB-financed and/or ADB-administered projects and their components regardless of the source of financing.

Scope and Triggers:

“Physical and economical displacement as result of”

- Acquisition of assets*
 - Land use changes
 - Restricted access (during or after project activities)
- ✓ Full or partial; permanent or temporary (i.e. during construction)
- ✓ Resettlement is considered involuntary when displaced individuals or communities **do not have the right to refuse** land acquisition that results in displacement

IR impacts include:

- Relocation or loss of shelter;
- Loss of assets or access to assets (land, houses, businesses, trees, crops, latrines, wells...);
- Loss of income sources or means of livelihood, whether or not one must move (e.g., losing agricultural land where the AP is cultivating or losing the house with shop where the AP is running business);
- Involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on livelihoods of APs.

Basic Principles

1. **Screen early**
2. Carry out **meaningful consultation**
3. **Improve** or at least restore the livelihood of all displaced person (DP)
4. Provide physical and economical displaced persons with the **needed assistance**
5. **Improve** the standard living of **the displaced poor and vulnerable** groups
6. If land is acquired through negotiated land acquisition develop transparent, consistent and equitable manner and procedure
7. **DP without titles are eligible for assistance and compensation** for non-land assets
8. **Prepare RP**
9. **Disclose RP** (in accessible place, in a form and language(s) understandable to the DP and other stakeholders)
10. Conceive and execute **IR as part of development project/program** – Include the full cost of IR in the presentation of project cost and benefits
11. **Pay compensation** and provide other resettlement entitlements **before physical or economic displacement**
12. **Monitor** and assess resettlement outcomes

Resettlement Planning

Category	Characteristics	SPS Requirements
A (significant impact)	200 or more persons experience major impacts, which are defined as (i) being physically displaced from housing, or (ii) losing 10% or more of their productive (income generating) assets.	<ul style="list-style-type: none"> ✓ Resettlement plan, including assessment of social impacts ✓ May require resettlement framework prior to resettlement plan
B (not significant impact)	Involuntary resettlement deemed not significant.	<ul style="list-style-type: none"> ✓ Resettlement plan, including assessment of social impacts ✓ May require resettlement framework prior to resettlement plan
C (no IR impact)	No involuntary resettlement impacts are foreseen.	<ul style="list-style-type: none"> ✓ Due diligence report
FI (Financial Intermediary)	Has potential resettlement impact, to be determined	<ul style="list-style-type: none"> ✓ Environmental and social management system

Resettlement and construction

- ▶ The borrower/client will consult with displaced persons identified after the formulation of the final resettlement plan and inform them of their entitlements and relocation options.
- ▶ The borrower/client will prepare a supplementary resettlement plan, or a revised resettlement plan, and will submit it to ADB for review before any contracts are awarded.
- ▶ Resettlement plan sometimes include specific provisions related to contractor's responsibilities and these are included in the bidding documents.
- ▶ Temporary impacts during construction are usually the responsibility of contractors and if there are damages to property due to construction activities and proven to be caused by the contractor, then costs of repair are usually shouldered by the contractor as well.

Indigenous Peoples (minority “ethnic groups”)

- Scope and Triggers

“If project directly or indirectly affects”

- IP Dignity or human rights
- IP Livelihood systems or culture
- IP Territories or cultural resources
- Definition: *A distinct, vulnerable social and cultural group*
- Self-identify as such
- Have collective attachment to geographically distinct habitat/ancestral territory and natural resources
- Have customary cultural, economic, social, or political institutions
- Distinct language

- Categories and planning requirements

Category	Impact
A	Project is likely to have <u>significant</u> impacts. Ethnic Minority Development Plan (EMDP), including Assessment of Social Impacts (ASI), is required.
B	Project is likely to have <u>limited</u> impacts. EMDP, including ASI, is required.
C	Project is not expected to have impacts. No further action required.
FI	Project involves investment of ADB funds through a financial intermediary. An Environmental and Social Management System is required.

Environmental Management Plan (EMP)

▶ **ADB safeguards Standards.** During the design, construction, and operation of the project the borrower/client will apply pollution prevention and control technologies and practices consistent with international good practice, as reflected in internationally recognized standards such as the World Bank Group's Environment, Health and Safety (EHS) Guidelines. When host country regulations differ from these levels and measures, the borrower/client will achieve whichever is more stringent.

▶ **The EMP define the procedure** to be followed by the IA, the PIU/PMO, the construction companies, detailed design and supervision consultants, the engineers and the environmental safeguards specialist of the PIU/PMO **for the avoidance or mitigation of adverse environmental effects** that may arise out of construction works of facilities in relation to a Project. It follows the Government of Mongolia (GoM)'s regulations relevant to this Project, as well as ADB's SPS (2009).

▶ The EMP is structured by the three development phases : pre-construction; construction; and post construction or operational phase. The EMP addresses the environmental issues and concerns raised at the stakeholder consultation meetings.

Environmental Management Plan (EMP)

▶ **The EMP combines construction phase impacts that are common to all subcomponents, for which, single mitigation measures are prescribed, and impacts and **required mitigations that are specific to a subcomponent are identified.**** The EMP identifies potential impacts, required mitigations, responsible parties, location, timing, and indicative costs.

▶ **Proposed mitigation measures are incorporated into tender documents, construction contracts, and Environmental Management Plans.** *For example, short-term construction disturbances include noise, dust, reduced access, increased traffic and risk of traffic accidents, worker and public safety, and local soil erosion & surface water sedimentation, and generation of solid, liquid and medical waste should be identified mitigated plan.*

Both Contractors and PIU/PMO will implement the measures and their effectiveness will be evaluated on the basis of the results of the environmental monitoring to determine whether to continue them or to make improvements.

▶ The Bid Documents for the potential Contractor(s) shall contain **two sections relating to environmental issues:** (i) basic clause indicating that the Contractor will be responsible for following the requirements of this IEE/EMP and that he should prepare his own Site-specific EMP (SEMP) for the Project; (ii) EMP of the IEE shall be repeated in its entirety as an Annex to the Bid Documents so as the bidder is aware of his environmental requirements under the Project and help him put costs to his proposal (such as costs for noise monitoring, etc.)

EMP Preparation and Implementation cycle

- Prepared and approved during preparation phase
- Updated during Detailed design phase
- Bidding Incorporate mitigation measures and EMP clauses in bidding documents, civil work contracts
- Pre-construction Site-specific EMP; Obtain necessary permits (i.e. waste disposal, use of borrow pit, water use and worker's camp etc.) from relevant authorities
- Construction (see below)
- Post-Construction Operation



EMP Implementation during Construction

- The contractor's **site-specific EMP (SEMP) must be prepared and submitted within 30 days** of the contract award. Pre-construction and Construction cannot commence until the SEMP is approved by the PIU/PMO.
- Throughout the Construction phase, the Contractor must employ an **on-site environment specialist (OES)** to update the SEMP and to oversee and report on the operation throughout the contract period. The OES should be full-time member of contractor's staff.
- The EMP requires civil works contractors to plan for the construction projects, including issues such as work scheduling, consultation with and notification to potentially affected people.
- The **IA and PIU/PMO** and assisted by its environment safeguard specialist, will be **responsible for ensuring contractors' compliance with the EMP.**



EMP Monitoring

- The monitoring activities of the project include site supervision, verification of permits, monitoring of water quality, soil, noise and air.
- **Monitoring of the quality of water, soil, air and noise during the construction stage is a responsibility of civil works contractors.**
- PMO will hire a professional firm to conduct external environmental monitoring during the construction phase.

Environmental good practices include noise abatement, maintaining hygienic conditions, maintenance of fire and safety equipment etc. Monitoring report should be prepared once in six months with the corrective action plan for the problem areas.

- A licensed Institute will be required to implement the environmental monitoring under the supervision and coordination of the PMO/PIS. The Institute will be responsible for the sampling and laboratory analysis of environmental parameters.



EMP Training

An international Project Implementation Support Team (PIS) will develop and deliver training courses to strengthen the ability of the project owner and implementing agencies to oversee implementation of the EMP by construction contractors, and Institutes. Specific training and monitoring regarding Occupational Safety and Health (OSH) training for worker will also be carried out.



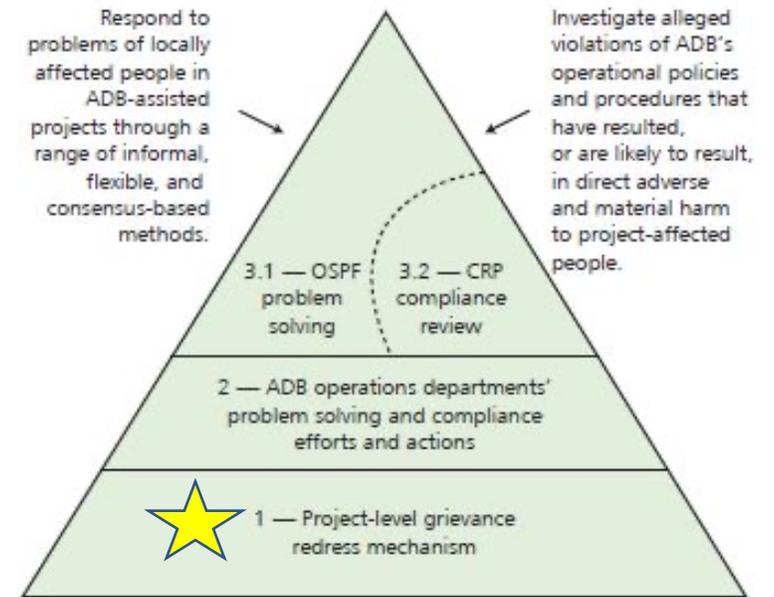
Training topic:	Summary of training purpose and content	Recipients/ Participants #	Frequency or target date
Induction to EMP	Overview of EMP including site information, pollution risks and controls, and programs. Preparation of site specific EMPs and training on implementation to staff of construction company (s)	All PMO engineers / contractors	At beginning of project
Review of EMP, Refresher training on EMP	Review of EMP including new changes and updates to IEE/EMP.	All PMO engineers / contractors	One year after project start, or more frequently if required
Project management and implementation	Implementation assessment the program. Principle of donor organizations' support to local beneficiaries.	All PMO Engineers /contractors	At the beginning of the project



ADB Accountability Mechanism: GRM

A grievance redress mechanism (GRM) is an arrangement for receiving, evaluating, and facilitating resolution of affected people's concerns, complaints, and grievances about the borrower's/client's social and environmental performance at the project level.

Problem Solving and Compliance Framework



ADB = Asian Development Bank, CRP = Compliance Review Panel, OSPF = Office of the Special Project Facilitator.
Note: The figure does not correspond to the actual proportion of issues dealt with by the different mechanisms.
Source: ADB.

Grievance Redress Mechanism

- A project level GRM must be formally established in each ADB funded project in consultation with affected persons and communities to receive and facilitate resolution of affected person's grievance;
- Grievance Redress Committee (GRC) must have elements of affected person's, community and female representatives;
- The project level GRM does not impede access to the country's judicial or administrative remedies
- The project level GRM must be informed to the affected persons and affected communities;
- Best to consult with affected persons and affected communities to establish the GRM during RP preparation so that the GRM can be effective from RP updating.



Example, Mongolia

Figure 21 Fourth Health Project GRM

