

The Business Edge of Environmental & Social Risk Management

Environmental and Social Safeguards Workshop for Bidders and Tenders

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NEW PROJECT



OUTSIDE WORKERS ARRIVE



WHAT STARTED TO GO WRONG?



ENVIRONMENTAL AND SOCIAL RISKS



1
Gender & Equality



2
Fair & safe work



3
Pollution & Waste



4
Community health & safety



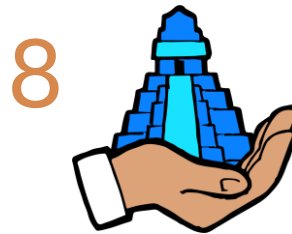
5
Land & Livelihoods



6
Nature & biodiversity



7
Indigenous communities



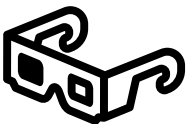
8
Cultural Heritage



9
Climate Change



10
Social Inclusion



1) The Bottom Line: Poor E&S Management Destroys Profit

- **Delays** = idle labor & machinery, overheads
 - **Disputes** = claims, legal costs, management time, reputational harm
 - **Rework** = lost productivity
 - **Incidents** = stoppages, penalties
- *Early action is cheap, fixing problems is expensive (!)*





2. Work Pipeline: Good E&S = Repeat Business


- MDB and large infrastructure contracts require **ES standards as baseline**
- Contractors are increasingly differentiated on:
 - track record
 - implementation credibility
 - incident history
- Good performers become:
 - **trusted partners**
 - brought into future tenders
 - lower risk → preferred

PROJECT
FINANCING

ESRM PLAN

 Environmental Management

 Social Engagement

 Risk Management

SUSTAINABLE
INFRASTRUCTURE
FOR OUR FUTURE

3. Pacific Advantage: Relationship = Access

Projects depend on:

- land access
- community acceptance
- Local cooperation

Pacific Values:

- Respect
- Transparency
- Reciprocity
- Collective benefit

Translate to business language:

- Good relationships = no blockages
- Early dialogue = fewer surprises
- Trust = faster delivery



4. Risk Transfer: Contractors carry the risk consequences

Government may be responsible for:

- Land acquisition
- Resettlement
- Permitting

BUT:

Contractors face:

- Delays
- Claims disputes
- Reputational impacts

Contractors may not own the risk, but they do carry the consequences



5. Reputation and Marketing

- One bad project = long memory in small Pacific markets
- Strong track record = long-term advantage

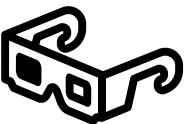
“Reputation compounds over time”





Environmental and Social Risk Management = Navigation System

*ESRM helps you navigate
uncertainty across the
whole project lifecycle*



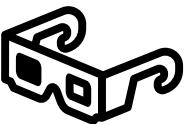
Common pitfalls

- **Tenders.** Tender proposals by contractors do not clearly specify the E&S risks and how they will be managed. Especially community engagement, occupational health and safety, community health and safety, labor management and gender considerations.
- **Human resources.** Strong E&S specialist submitted as part of tender, then switched out during implementation – results in inadequate capacity to implement the ESMP and gaps in mobilization.
- **Project resources.** (i) E&S Specialist not provided sufficient time to do scope of work; (ii) Mitigation and monitoring program often underfunded
- **Community engagement.** Consultations with local communities are not representative of community needs, frequent, or transparent.
- **Monitoring, Reporting, and Management.** Monitoring and reporting of C-ESMP progress, including incident and grievance management are poorly prepared, managed and communicated



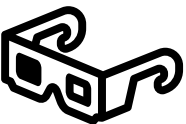
The System

Good Environmental and Social Risk Management = simple, repeatable system



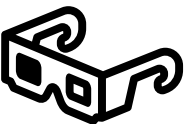
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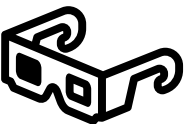
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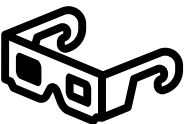
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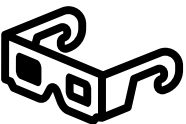
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BEFORE TENDER
Risk readiness
wins bids.

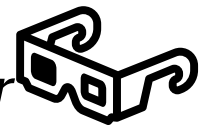


DURING CONSTRUCTION
Relationships
keep work moving.



AFTER COMPLETION
Reputation
wins future work.

Where it Matters Most: *Start early = cheaper, faster and safer*





**What is one thing
you can do now to
improve environmental
and social risk management
in your next project?**



**THANK YOU
FOR WORKING TOGETHER
FOR A BETTER FUTURE**



STRONG RELATIONSHIPS



RESPECT OUR ENVIRONMENT



SAFE COMMUNITIES



**BETTER FUTURES
FOR ALL**

*Together we build
a better tomorrow*

Vinaka

**STRONGER TOGETHER
SUCCESS SHARED
FUTURE SECURED!**

