

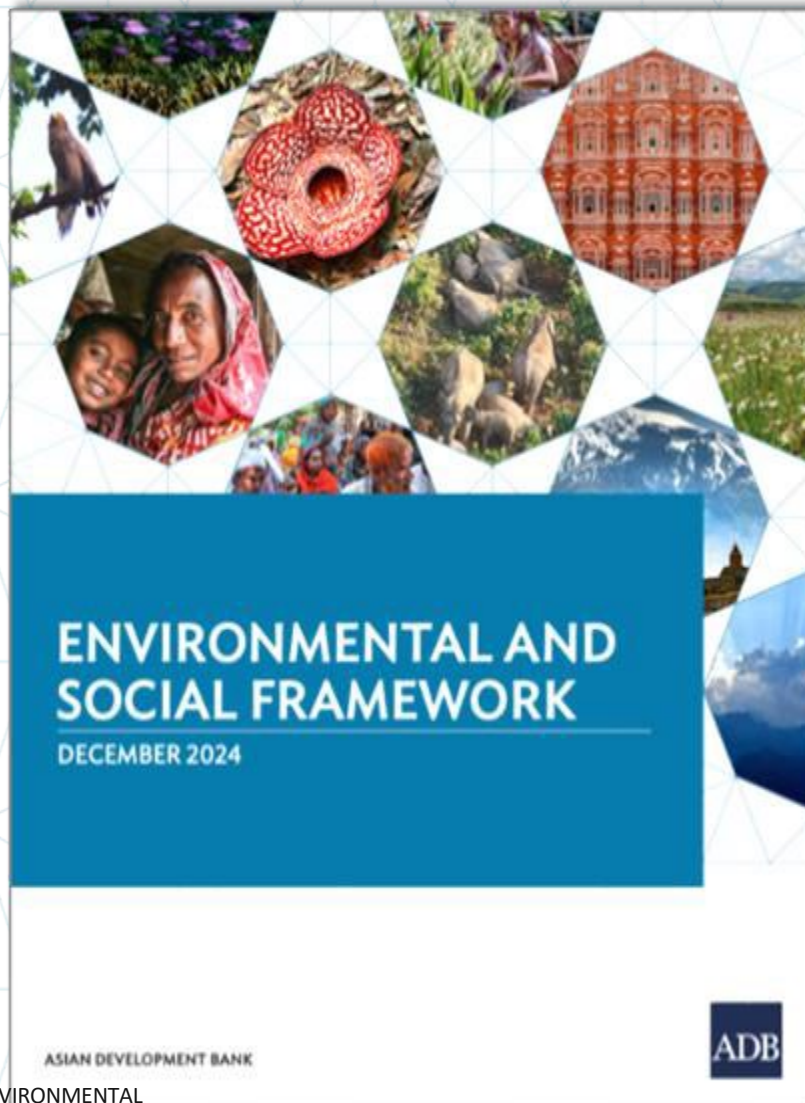
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OFFICE OF SAFEGUARDS

ESF Orientation Workshop

26 November 2025



WELCOME AND INTRODUCTIONS OF TRAINERS AND RESOURCE PERSONS





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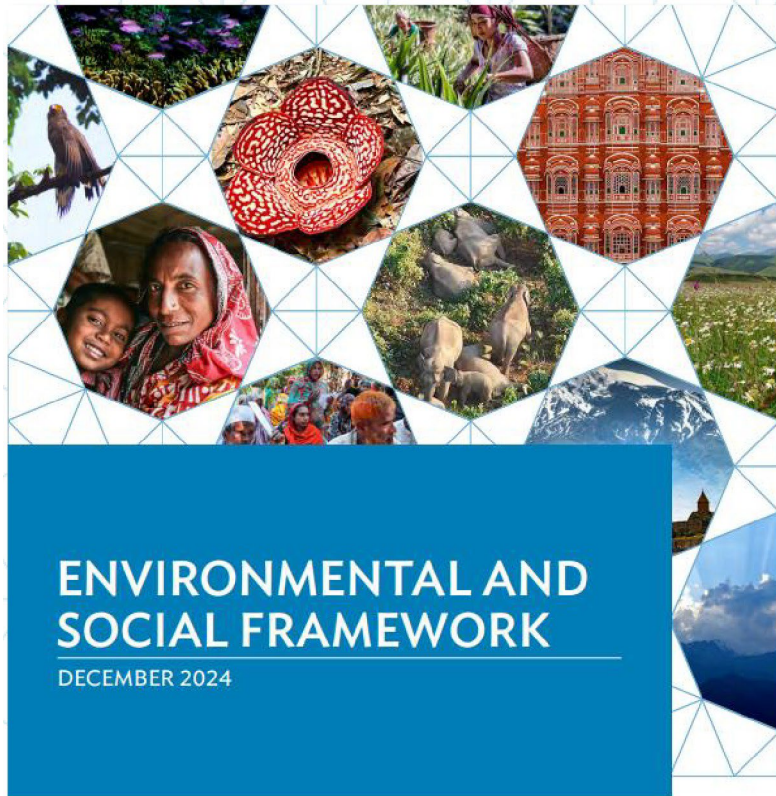
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Get a copy of the ESF



ENVIRONMENTAL AND SOCIAL FRAMEWORK

DECEMBER 2024

ASIAN DEVELOPMENT BANK



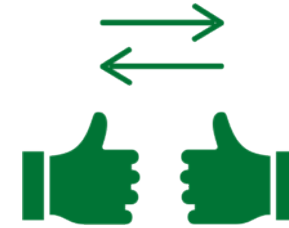
ESF English version

COURSE OBJECTIVES AND AGENDA OVERVIEW





- **Respect and inclusivity**
- **Active participation – be present!**
- **Punctuality and time management**



- **Stay on topic**
- **Avoid use of cell phones and laptops**
- **Constructive feedback**
- **Have fun!**





1. Welcome and introduction of training team
2. Course objectives and agenda overview
3. ESF value proposition and key features
4. Risk classification
5. Environmental and social risk factors
6. Risk factors: A case study
7. Overview of the ten E&S Standards
8. Environmental and social assessment process
9. Procurement and contractor management

By the end of this orientation workshop, you will be able to:

1. Articulate some of the **highlights, objectives and key requirements** of the ten Environmental and Social Standards, and of the Environmental and Social Policy
2. Describe how the ESF may be **integrated** into project preparation and implementation
3. Discuss how the ESF applies to different **types of loans, equity investments, grants, and other funds, both for sovereign and non-sovereign operations**
4. Outline some of the **processes, procedures, roles and responsibilities** required to make the ESF work in practice



ESF VALUE PROPOSITION AND KEY FEATURES



- **Risk management**
Identification and management of risks to people and the environment, and legal, financial, and reputational risks to institutions and companies
- **Sustainable development**
Long-term economic growth aligned with environmental and social well-being, and strengthening of national systems and capacity
- **Environmental protection**
Reduced pollution, conservation of natural resources, sustainable use of ecosystems
- **Health and safety**
Improved working conditions and reduction of health hazards
- **Social equity and community well-being**
Fair labor practices, community development, social inclusion
- **Social license to operate**
Stakeholder support reduces complaints, delays, and costs
- **Legal compliance**
Meeting national law, international commitments, and ADB legal requirements



- **2020:** Independent Evaluation Department, *Effectiveness of the 2009 Safeguard Policy Statement*
- 3-phased consultation process
- **November 2024:** Board approval
- **January 2026:** Effectiveness date
ESF will apply to projects with an approved **concept note** after the effectiveness date (not retroactively to older projects).
- **Readiness criteria:**
 - i. Publication of ESS1-ESS10 guidance notes
 - ii. Approval of relevant Operations Manual section and Staff Instruction
 - iii. Completion of relevant Staff training
 - iv. Initial ESF orientations in DMCs



STAKEHOLDER VIEWS AND CONCERNS DURING THE CONSULTATION PROCESS

ADB members

- Overall positive support
- Concern about increased transaction costs
- Greater **efficiency and flexibility** needed
- DMC governments requested **guidance, technical assistance, and capacity development**

Others incl. civil society: Questions and concerns

- Use of ESCP and ESAP
- Possible dilution
- ADB responsibilities and due diligence
- Skepticism to increased flexibility
- E&S risk classification

Challenging topics

- Information disclosure
- Grievance mechanisms
- Effective management of adverse impacts
- Financial intermediary transactions



Overview of ADB's Environmental and Social Framework (ESF)

The ADB Board of Directors approved the ESF on 22 November 2024

Expected to become effective on 1 January 2026 for projects without an approved concept note

What's in the ESF?



Vision



Environmental
and Social
Policy



10 Environmental
and Social
Standards

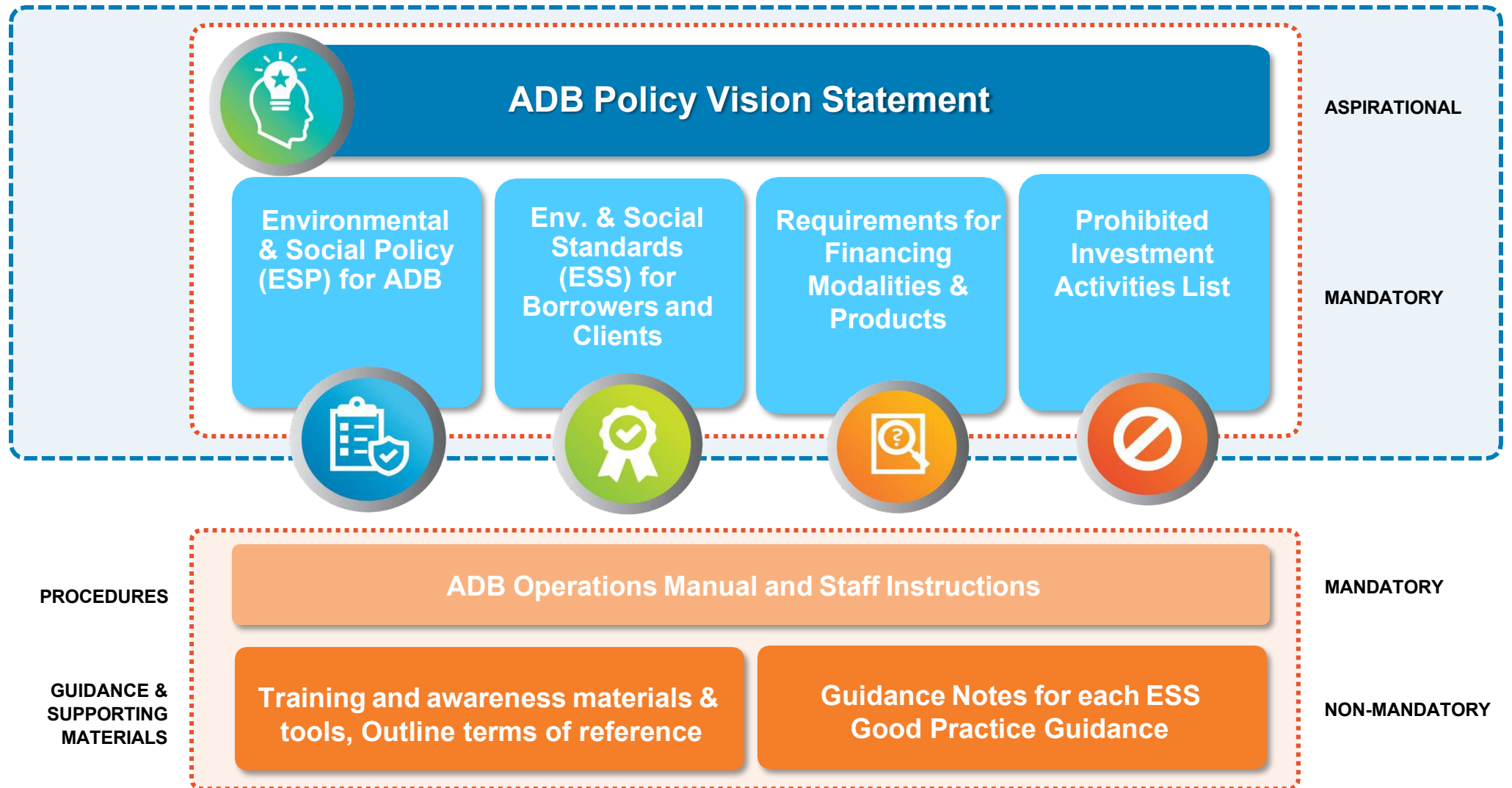


Requirements for
Financing Modalities
and Products



Prohibited
Investment
Activities List

**Environmental
and Social
Framework**





Environmental and Social Policy

A New Approach to Risk Classification

One risk classification per project, compared to three in the SPS (for environment, involuntary resettlement, and Indigenous Peoples)

SPS categories mapped to ESF classifications:
Cat A (=High);
Cat B (=Substantial or Moderate);
Cat C (= Low)

Due diligence and E&S documents required based on project risks

High Risk

Substantial Risk

Moderate Risk

Low Risk

For Financial Intermediary transactions, the risk classification assigned is FI, with sub classifications of FI-1, FI-2 and FI-3 based on the risk of the expected transactions/activities to be financed by ADB



ADB's Environmental and Social Standards (ESS)

1



Assessment and Management
of Environmental and Social
Risks and Impacts

2



Labor and Working
Conditions

3



Resource Conservation
and Pollution Prevention

4



Health, Safety,
and Security

5



Land Acquisition and
Land Use Restriction

6



Biodiversity Conservation
and Sustainable Natural
Resources Management

7



Indigenous Peoples

8



Cultural Heritage

9



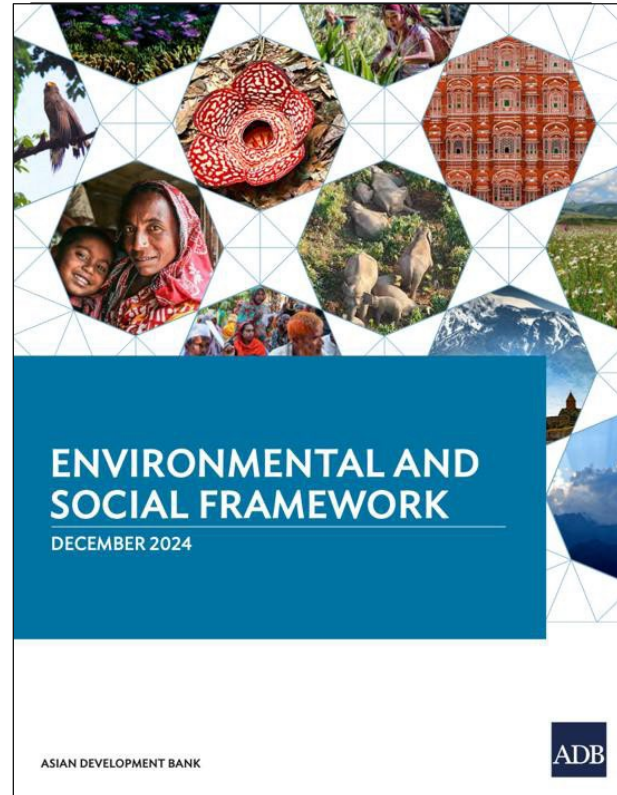
Climate Change

10



Stakeholder Engagement
and Information Disclosure

- Stronger **protections** for people and the environment
- Requirements **proportionate** to project risks
- **Aligns** ADB's approach with other multilateral development banks
- New standards will **protect** children, workers, and communities from risks



- A new **climate change** standard aims to minimize GHG emissions and enhance climate resilience
- Stronger commitment to meaningful **consultation**, information and disclosure, and **grievance management**
- Stronger **biodiversity** protections supporting nature-positive investments



- Focus on **results and outcomes**
- Strengthening of **institutional frameworks** and **capacity**
- **Integration** between environmental and social standards
- Integrated E&S **risk classification**:
High, Substantial, Moderate, and Low
- **Proportionality** and **adaptive management**
- Improved tailoring for non-sovereign operations
- Differentiation between different lending modalities
- Material consistency with **national frameworks** and common approaches with **development partners**
- Strengthening of **staffing and skills**

Borrower/client

- Project design and implementation
- Assessment, management and monitoring of ES risks and impacts
- Stakeholder engagement
- Integration of ES factors into project decision-making
- Agreement on conditions for support

Some activities may be done jointly, or with active support from ADB in analytical work and support for planning and documentation.



Borrower/client capacity building, understanding and ownership are essential.

ADB

- Due diligence
- Early ES risk screening and classification
- Planning and implementation support to borrower/clients
- Agreement on conditions for support

1. Shared responsibility

The ESF is a corporate responsibility. Consistency in messaging and approach is essential.

2. Joint effort

Coordination, teamwork, and early involvement of environmental and social specialists.

3. Proportionality

Efforts, requirements, and time and effort are commensurate with project risk, scale, and complexity.

4. Professional judgment

Systematic approach but not a blueprint to be followed mechanically.





Limerick rhyme pattern:

.....A
.....A
.....B.....B
.....A*

* Rhymes will not always be perfect!



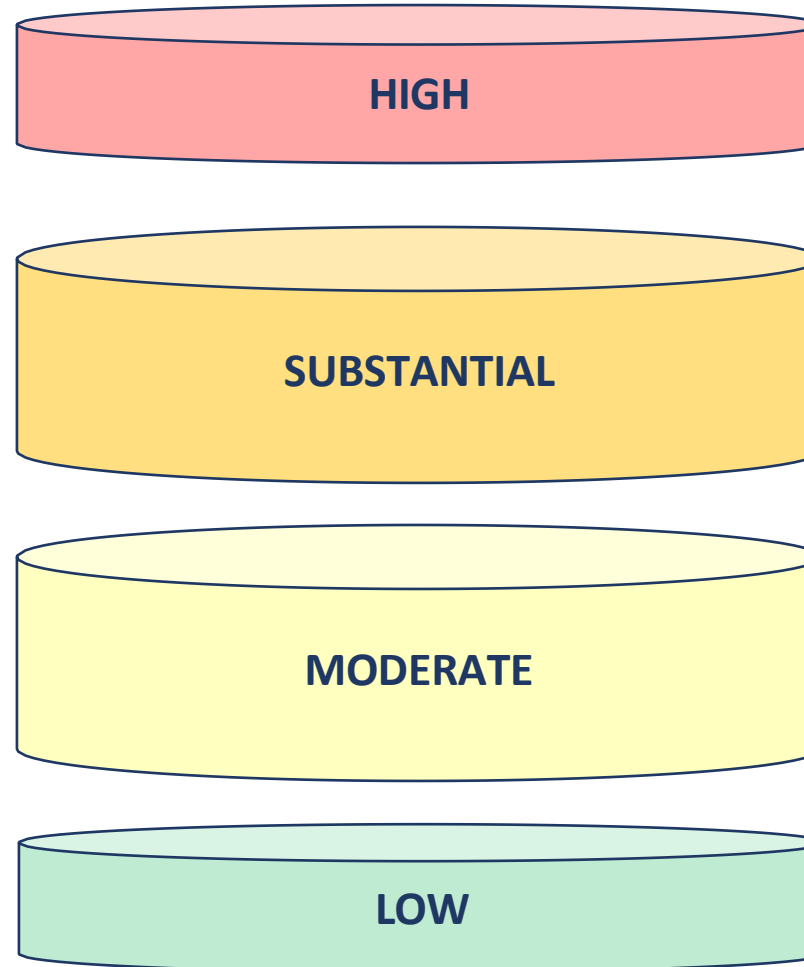
There was a young lady from **Wight**
Who traveled much faster than **light**.
She departed one **day** in a relative **way**,
And arrived on the previous _____

Now you try one with an ESF theme:!

The ESF we've been **perusing**
And parts of it can be **confusing**
So we've all come **here**, hoping it will come **clear**,
Since it's something we'll all soon be _____.

RISK CLASSIFICATION

- **Integrated E&S** risk classification
- Classification is **done by ADB** and informs ADB's decision-making and resource allocation
- Borrowers/clients may have other E&S risk classification systems



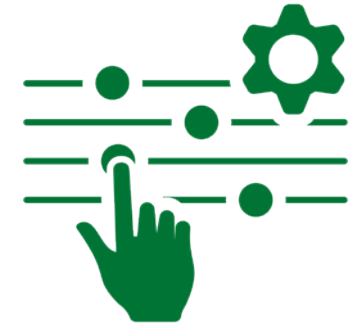
Likely to generate a wide range of significant adverse impacts with likely residual impacts that will need to be compensated / offset.

Less complex than high risk, smaller ES impacts likely, more easily mitigated.

ES risks and impacts unlikely to be significant

Minimal or negligible ES risks and impacts

- The initial risk classification is based on **early screening and scoping**
- There are likely to be **unknown risk factors** at this early stage
- Pre-mitigation risk classification should take a **precautionary** approach focusing on **pre-mitigation** risk factors, since studies, consultations, and mitigation measures have not yet been undertaken
- Based on additional information made available during project preparation, the risk classification will be confirmed at the time of project appraisal
- The risk classification should be reviewed during **implementation** and adjusted as needed





We want to avoid **accusations**

Of deficient resource **allocations.**

There should be no **reproach** if we base our **approach**

On the E&S _____

COFFEE / TEA BREAK



15 MINUTES

ENVIRONMENTAL AND SOCIAL RISK FACTORS



Key questions:

- What are environmental and social risks?
- How are E&S risks different from impacts?
- How do we go about systematically assessing risks and impacts?
- How we manage or mitigate risks?
- What is the project's responsibility for different types of risk?

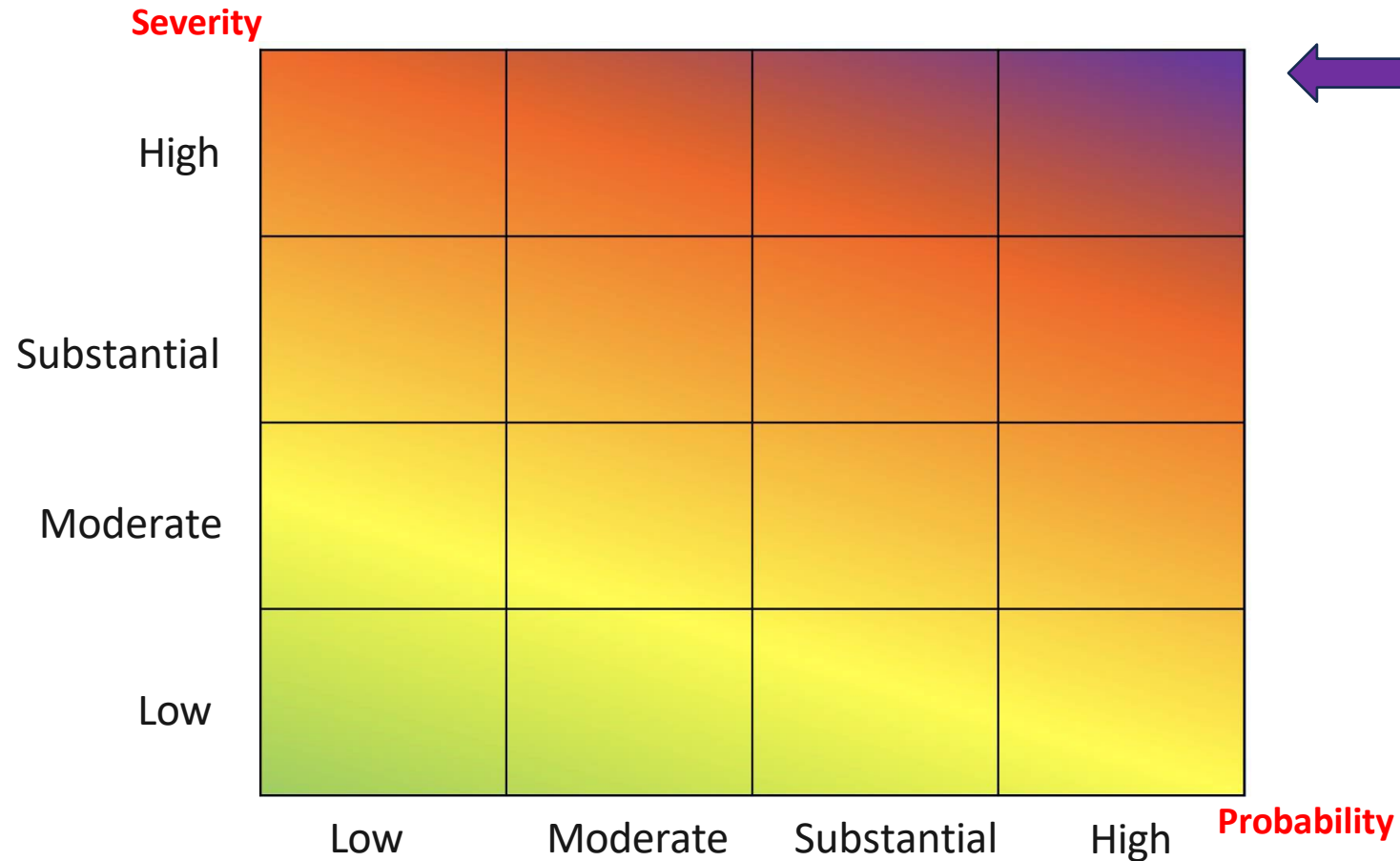
“Risks or impacts of a project on environmental and social receptors. A risk arises when a project activity serves as a source of impact, to be created on a receptor through a pathway.”

(ESF, definitions of terms)



Project-related E&S risks and impacts:

- The possibility that something of environmental or social **value** may be lost or damaged as a result of project actions
- **Risk** involves **uncertainty**
- **Impact** does not involve uncertainty; it is about something that has occurred or is certain to occur
- Impacts can be positive or negative – we are focusing on negative impacts in this discussion; actual or potential harm



What happens if an impact is of high severity and highly likely to occur? Is it an automatic dealbreaker or no-go situation?

Combination of:

- **Severity** of harm, loss, or damage, combined with
- **Probability** or likelihood of occurrence
- Which should be weighted more -- severity or probability? Or should they be given equal weight? Why?

E&S Policy, paras 23 and 24:

1. **Project:** Type, location, sensitivity, and scale
2. **E&S risks and impacts:** Nature and scale
3. **Performance:** Capacity, commitment, resources, past experience, track record
4. **Proposed mitigation measures:** Availability, cost, nature
5. **Contextual:** Risks that are relevant in the context in which a project is being developed or to be implemented

ENVIRONMENTAL AND SOCIAL POLICY

I. PURPOSE

1. The purpose of the Environmental and Social Policy (E&S Policy) is to set out environmental and social (E&S) responsibilities that are mandatory upon ADB in relation to projects financed or administered by ADB.

II. OBJECTIVES

2. ADB is committed to supporting borrowers/clients in the development and implementation of projects that are environmentally and socially sustainable and to enhancing the capacity of borrowers/clients to use their E&S systems to assess and manage the **environmental and social (E&S) risks and impacts** of such projects. To help borrowers/clients achieve the desired outcomes of projects, ADB requires borrowers/clients to apply and implement ten Environmental and Social Standards (ESSs), as set out in para. 6, proportionate to the nature and scale of a project's E&S risks and impacts. These ESSs are collectively designed to help borrowers/clients to apply the **mitigation hierarchy** and improve their E&S performance. ADB staff, through review and monitoring, will assist borrowers/clients to apply the requirements of the ESSs throughout a **project cycle**, in accordance with the E&S Policy.

3. To carry out the E&S Policy, ADB will:

- a. determine a project's E&S risk classification;
- b. review the E&S assessment undertaken by a borrower/client of a proposed project, proportionate to the nature and scale of the potential **E&S risks and impacts** of the project;
- c. assist borrowers/clients in identifying **E&S assessment and management documents** for the potential E&S risks and impacts of a project;
- d. support borrowers/clients with the strengthening of their E&S systems and encourage improved E&S performance, in ways that recognize and enhance borrowers/clients' capacity;
- e. agree with borrowers/clients on the conditions under which ADB will consider providing financing to a project, which will be set out in an environmental and social commitment plan/environmental and social action plan (ESCP/ESAP);
- f. support borrowers/clients to carry out early and continuing **meaningful consultation** with relevant **stakeholders** and to provide project-level grievance mechanisms, consistent with the ESSs; and
- g. review and monitor the E&S performance of a project throughout the **project cycle** in accordance with the ESSs and the ESCP/ESAP.

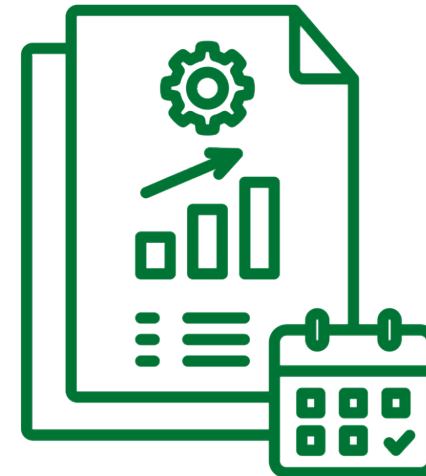
III. SCOPE OF APPLICATION

4. The requirements of the E&S Policy and the ESSs apply, to the extent such ESSs are determined to be applicable, to ADB-financed and/or ADB-administered sovereign and non-sovereign projects and their components, regardless of the source of financing or financing modalities and products, including investment projects funded by a loan, and/or a grant, and/or other means, such as equity and/or guarantees, hereafter broadly referred to as projects. A project's legal agreement describes a project to which the E&S requirements apply.

- Fragile and conflict-affected situations (FCAS)
- Small island developing states (SIDS)
- Circumstances and conditions that make a population at risk, marginalized, disadvantaged or vulnerable
- Sector or industry specific risks
- Exposure to natural hazards
- Ecosystem vulnerability
- Legal, governance and institutional framework
- Limited civic space and expression of freedom

These are pre-existing, systemic risk factors. They are not caused by the project, but (i) they may affect the project and exacerbate risks and impacts from the project, and (ii) the project may exacerbate pre-existing, contextual risk factors. The project risk assessment should consider these risk factors.

- ***Effort and requirements are proportionate to risk***
- Significant risk factors may require:
 - Further studies
 - Focused consultations
 - Dedicated action plans
(E.g., Resettlement Action Plan, Indigenous Peoples Plan, Biodiversity Action Plan)
 - Additional resources and expertise
 - Specific indicators, monitoring and reporting
- Lower risk factors:
 - Should not be ignored
 - Require less effort
 - Are likely to be easier to mitigate



DISADVANTAGED OR VULNERABLE GROUPS: DISTRIBUTIONAL ASPECTS OF RISK

- Intersecting social identities may constitute cumulative disadvantage (intersectionality)
- Consideration of gender, age, ethnicity, other identities
- Different groups may have different perceptions of value and risk
- Differentiated measures may be required for disadvantaged and vulnerable groups



WHAT FORMS OF VULNERABILITY ARE ILLUSTRATED BELOW?

Contextual factors:

High dependency ratio (working age v non-working age) communities living in poverty with many children and elders; few working age family members; reliance on subsistence agriculture; Children may also be required for household work, taking them away from school.



Sensitivity to project impacts:

More likely to be disproportionately impacted by:

Involuntary resettlement and access restrictions, less likely to be able to benefit from: livelihood restoration (transition from subsistence to market economy); may live in remote areas with less access to govt services, or lack formal permissions.

WHAT FORMS OF VULNERABILITY ARE ILLUSTRATED BELOW?

Contextual factors:

Semi-skilled factory workers. Young women and possibly teenage girls, rural-urban migrant labor, potential foreign labor, drawn to urban economic centers where lack of labor regulations drives business development



Sensitivity to project impacts:

More likely to be disproportionately affected by lack of equal opportunity, poor working conditions, low wages, exposed to risk of sexual exploitation and abuse, potential for debt bondage, trafficking, child labor; less likely to organize or obtain access to worker grievance redress and referral processes



Risk assessment is not an exact science. **Judgment must be applied to take account of different risk factors and weigh their importance.** We base this on personal experience, established case practice, and institutional learning and coordination to seek consistency in how we assess and manage risks.

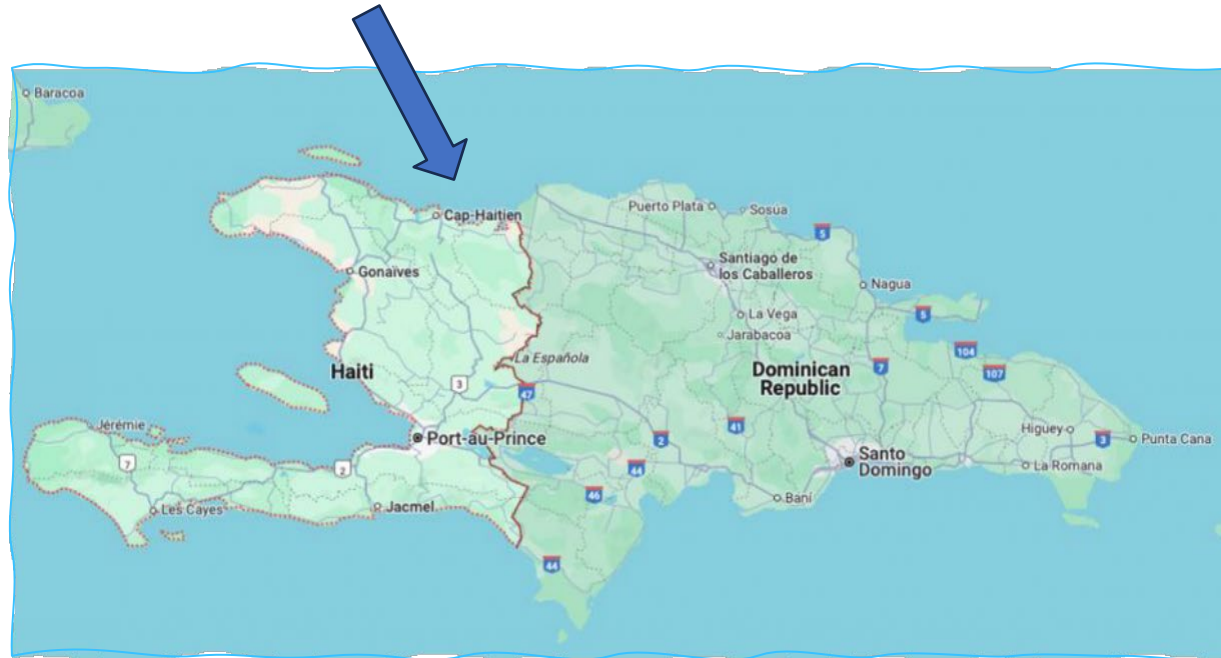


The truth can seem like an **illusion**,
So we must try to limit **confusion**
Let's examine the **facts** before we **react**,
And try not to _____

(3 words)

RISK FACTORS: A CASE STUDY

EXAMPLE: A FACTORY GROWS IN HAITI



- This exercise introduces key concepts in project E&S risk assessment through an interactive video case study
 - The case example is based on a proposed Industrial Estates Project in Haiti to be financed by a Multi-lateral Financial Institution (MFI)
-
- The project involves the construction of an industrial park and supporting infrastructure (roads, electricity etc.)
 - The objective of the project is to encourage foreign companies to invest in Haiti and bring jobs and economic development to the impoverished northern region

You will watch a short video clip and take notes on the questions below:

- What are the E&S risks and impacts you see in this project?
- What are some key differences in views among stakeholders?
- What could go wrong if stakeholder concerns are not addressed?
- Is there anything missing from the way the project is being prepared?





Click on the link: [New York Times Video](#), YouTube July 2012

DISCUSSION: WHAT DID WE SEE IN THE VIDEO?

- What are the E&S risks and impacts you see in this project?
- What are some key differences in views among stakeholders?
- What could go wrong if stakeholder concerns are not addressed?
- Is there anything missing from the way the project is being prepared?

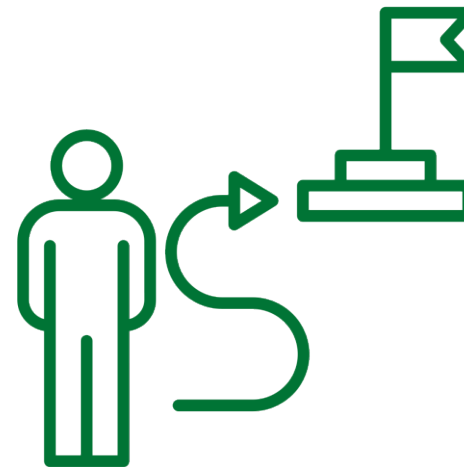


OVERVIEW OF THE TEN E&S STANDARDS



PURPOSE AND REQUIREMENTS OF THE ENVIRONMENTAL AND SOCIAL STANDARDS

- Each ESS outlines **objectives, scope of application, and requirements** for borrowers and clients
- **Proportional approach** to assessment and management of E&S risks and impacts
- **Risk and outcomes**-based approach
- Standards **complement** each other and cannot be read in isolation

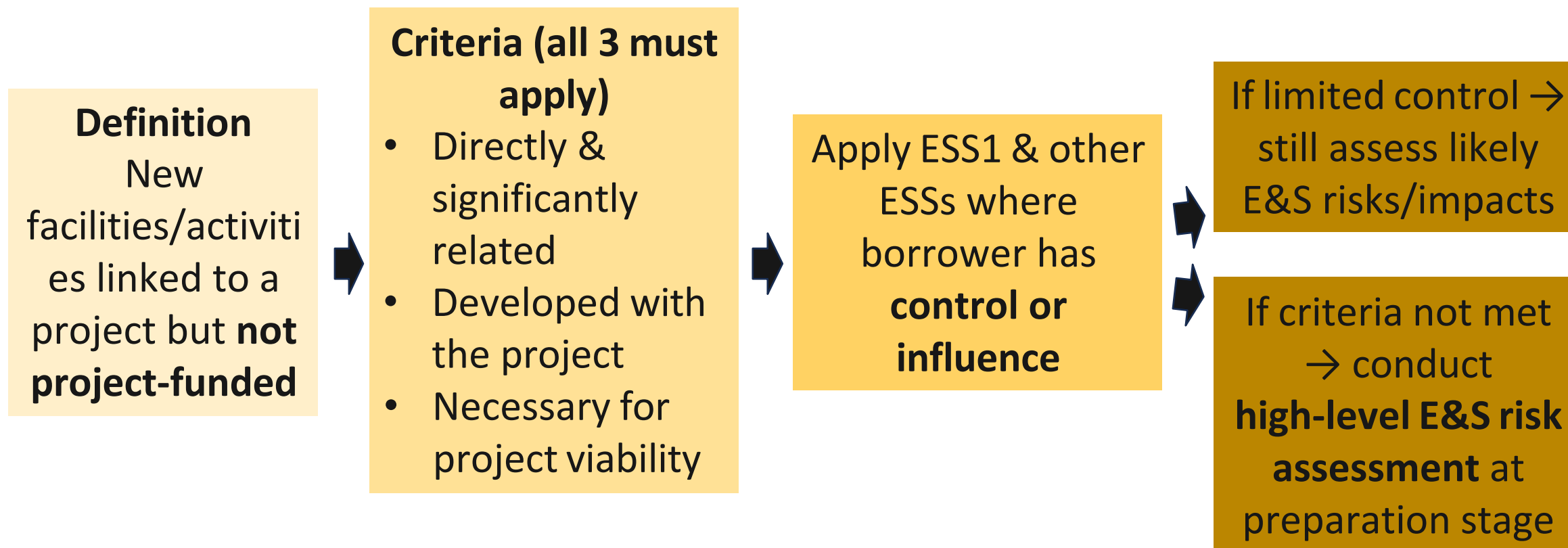


PART III
Borrower Requirements—
Environmental and
Social Standards 1–10

Objectives

- Screening, scoping, assessment, management, and monitoring of E&S risks and impacts
- Mitigation hierarchy
 1. Anticipate and avoid
 2. Minimize or reduce
 3. Mitigate, restore, compensate, offset
- Integration of E&S considerations in decision-making both for design and implementation
- Differentiated measures for disadvantaged or vulnerable groups
 - Avoid disproportionate adverse impacts
 - Share in benefits and opportunities
- Promote improved E&S performance, enhance borrower/client capacity and use of borrower's E&S systems





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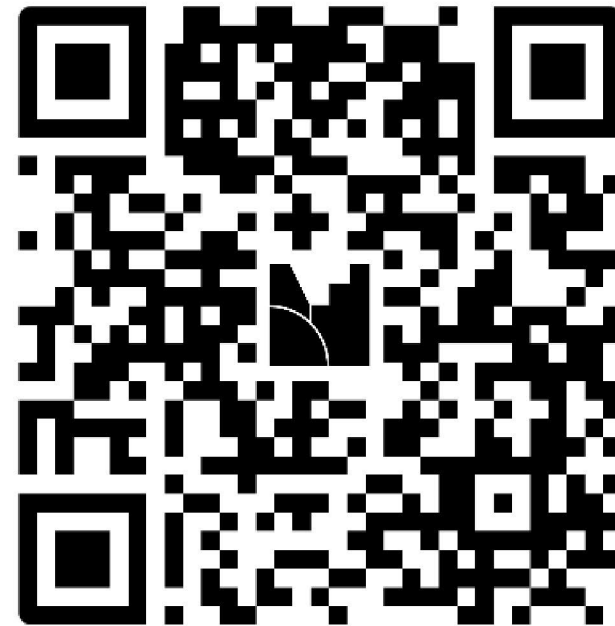
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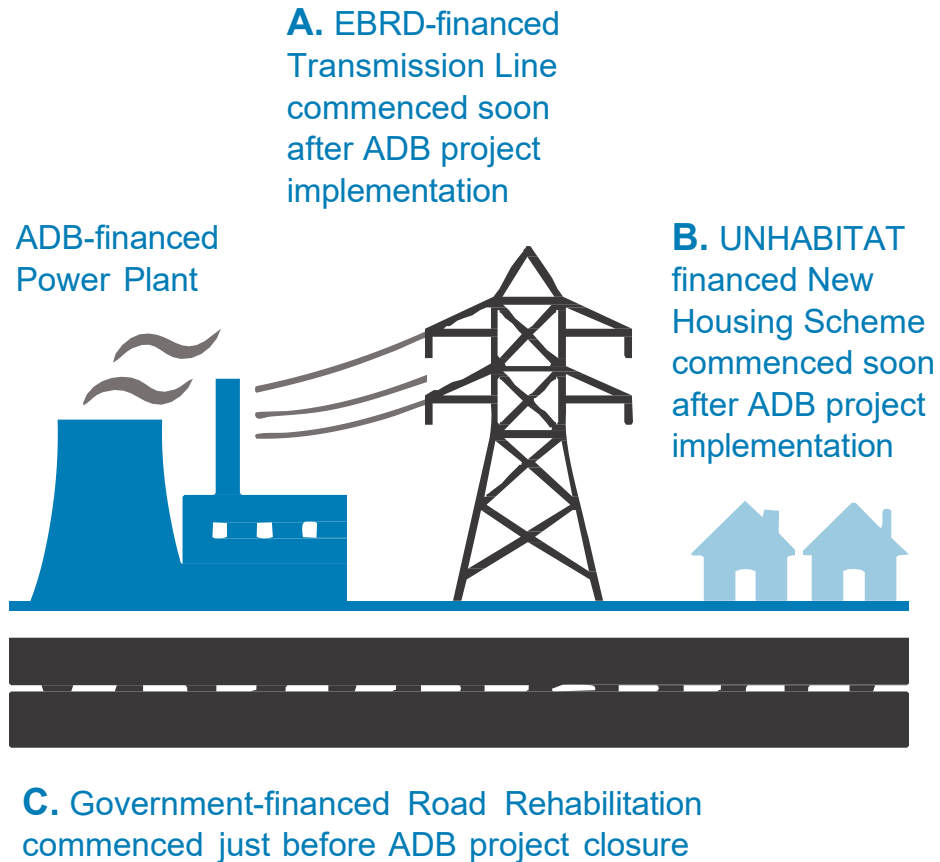
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Use QR code

What constitutes as associated facilities for ADB project?



**Purpose:**

Identify past/present E&S risks & impacts through an E&S compliance audit (incl. on-site assessment)

**Covers:**

- Legal, governance & institutional framework
- Permits & licenses
- Existing E&S plans
- Financiers' E&S requirements (if applicable)

**If risks identified:**

- Propose corrective/mitigation measures
- Estimate costs & set implementation schedule

- **Adaptive tool** for co-financed projects
- Borrower, ADB & co-financiers may agree on:
 - Applicable **E&S requirements**
 - **Roles & responsibilities** (incl. document review)
 - **Most stringent standards apply**
- Decision made **early in preparation** (no later than appraisal/credit approval)
- ADB considers **co-financiers' policies & procedures**
- Reflected in **ESCP/ESAP**; performance monitored against agreed approach
- If no common approach → pre-existing E&S assessment may be used **only if aligned with ESSs** (as agreed by ADB)



Objectives

- Promote fair treatment, nondiscrimination and equal opportunity
- Prevent and address violence and harassment, bullying, intimidation, and exploitation, including SEAH
- Support principles of freedom of association and collective bargaining
- Prevent the use of all forms of forced labor and child labor
- Promote, develop, and maintain transparent project worker relationship
- Provide project workers with accessible means to raise workplace concerns

- Introduction of labor management plan
- Differentiated requirements for the treatment of direct, contracted, community, and primary supply workers, and government civil servants
- Terms and conditions of work
 - Clear and understandable information about terms and conditions
 - Hours of work, wages, overtime, compensation benefits, health and safety
 - Worker accommodations
 - Privacy and data protection
 - Regular pay
 - Rest, holidays, sickness, maternity, and family leave
- Emphasis on nondiscrimination and equality of opportunity and treatment
- Requirements on accommodation and arrangements to promote health, safety, and well being
- Grievance mechanism for project workers
- Special provisions addressing child and forced labor





Child labor is wrong – that's for **sure**.
It's something we cannot **ignore**.
But that's not to **say** childhood must be
just **play**
No, our children can keep doing _____

Objectives

- Promote sustainable use of resources, including energy, water, soil, and raw materials
- Avoid or minimize pollution impacts on health and environment
- Avoid or minimize pollution-causing emissions and discharges
- Avoid or minimize generation of hazardous and nonhazardous waste
- Avoid, minimize, manage risks and impacts of hazardous materials
- Avoid, minimize, manage risks of pesticide use

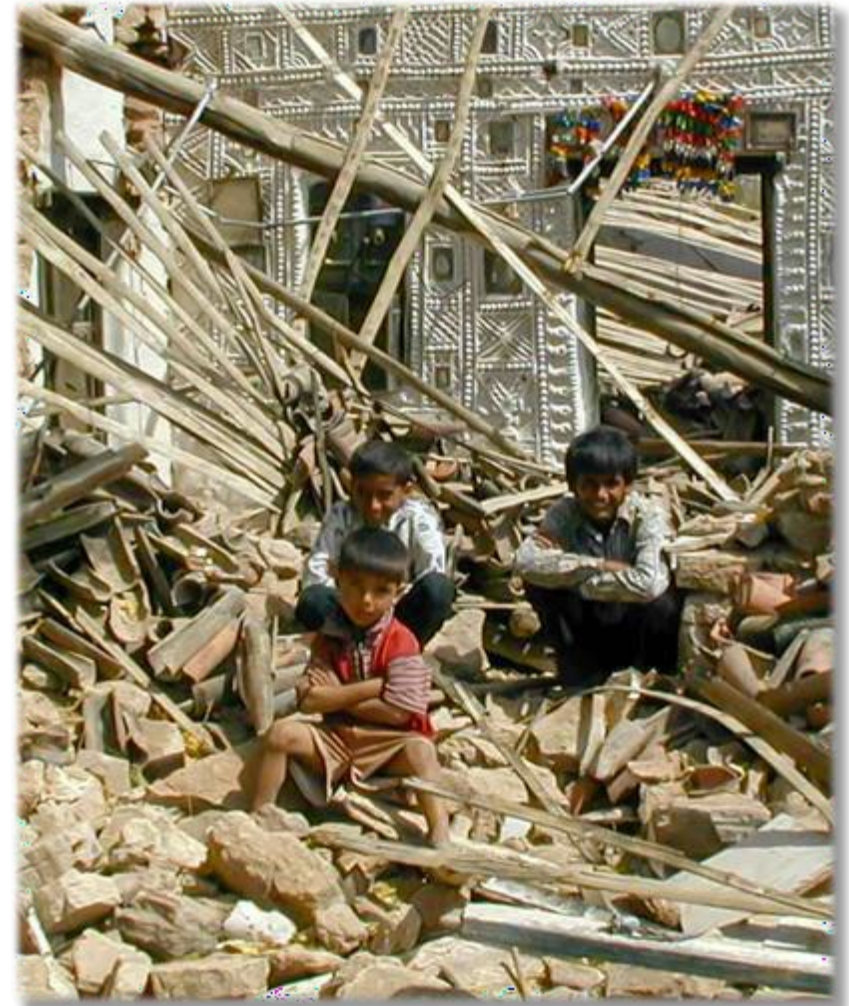




- Precautionary approach
- Circular economy approach
- Resource conservation and efficiency
- Energy use
- Water consumption
- Raw material use
- Soil
- Pollution prevention and management
- Management of hazardous and nonhazardous waste
- Management of hazardous chemicals, substances, and materials
- Management of pesticides and antimicrobials

Objectives

- Promote health, safety, and security of project workers
- Anticipate, minimize, mitigate, respond to adverse impacts on health, safety, and security, including SEAH of workers and project-affected persons
- Consider geophysical and physical climate risks
- Avoid, minimize, mitigate exposure to traffic and road safety hazards, diseases, and hazardous chemicals, substances, materials, wastes
- Ensure safeguarding of personnel and property to avoid or minimize risks related to project workers and PAPs



- Measures to prevent fatality, accident, injury, and ill health among workers and project-affected persons
- Safe and healthy working environment
- OHS
- Reporting of accidents and injuries
- Safety of services
- Exposure to disease
- Ecosystem services
- Natural hazards
- SEAH



- Product safety
- Infrastructure, building and equipment design and safety
- Traffic and road safety
- Hazardous chemicals, substances, materials and wastes
- Emergency preparedness and response
- Security management
- Safety of dams

HAZARD RISK IDENTIFICATION – A CONSTANT REQUIREMENT OF INFRASTRUCTURE PROJECTS

You are visiting this construction worksite as part of a monitoring mission. What issues would you raise with the supervisor, if any ?



Join at menti.com | use code 6722 4900





Objectives

- Avoid or minimize economic and physical displacement
- Avoid forced eviction
- Provide timely compensation for loss of assets at full replacement cost
- Improve or restore livelihoods
- Improve livelihoods and living conditions of disadvantaged or vulnerable persons, including security of tenure for those physically displaced
- Plan and implement LA/LUR based on appropriate stakeholder engagement

- Due diligence for involuntary and voluntary land acquisition and land use restrictions (LA/LUR)
- Classification of affected persons
 - Formal legal rights or recognized customary and traditional rights
 - Recognizable claim under national law
 - No formal or recognized rights
- Meaningful consultation, information disclosure, and grievance management
- Assessment of LA/LUR impacts and differentiated measures for disadvantaged or vulnerable groups
- Plan or framework
- Monitoring, evaluation, and reporting
- Requirements for private sector projects with government-managed LA/LUR



Common gaps between ESS5 and national law and practice:



1. Compensation for land and other assets at full replacement cost
2. Livelihood restoration
3. Recognition of different land tenure systems, including assistance to persons without formal or officially recognized land rights



They may lack land titles for **sure**,
But we still must take care of the **poor**.
So there must be a **plan** to do all that we **can**
So their livelihoods will be _____

LUNCH



ONE HOUR

OVERVIEW OF THE TEN E&S STANDARDS (CONTINUED)



Objectives

- Protect and conserve biodiversity, ecological functions and connectivity in a changing climate
- No net loss and preferably net biodiversity gain through mitigation hierarchy and precautionary approach
- Maintain benefits from ecosystem services and promote sustainable management and use of living natural resources





- Biodiversity conservation
 - Modified, natural, and/or critical habitats
 - Requirements for projects affecting critical habitats include net gain
- Offsets as a last resort, feasibility assessed before project approval
- Ecosystem Services
- Protected and internationally recognized areas
- Natural capital and impacts on communities including Indigenous Peoples
- Invasive alien species
- Living Natural Resources management (eg forestry, animal welfare)
- Primary suppliers



Objectives

- Avoid, minimize, mitigate, compensate adverse project impacts
- Respect identity, dignity, human rights, livelihood systems, cultural uniqueness
- Promote culturally appropriate benefits and opportunities
- Establish and maintain ongoing meaningful consultation
- Obtain free, prior, and informed consent (FPIC) in 3 circumstances
- Recognize, respect and preserve the culture, knowledge, and practices

- IP identification, as a group, is based on four characteristics (in varying degree), by ADB:
 - Self-identification as distinct group (recognition by others)
 - Collective attachment to ancestral territories (including seasonal, nomadic/transhuman routes)
 - Customary institutions, laws, or regulations vs. mainstream society
 - Distinct language or dialect.
- Impact assessment and meaningful consultations
- Preparation of IPP/other documentation
- IP in voluntary isolation
- Requirements when IP are overwhelming majority and when they are not sole or overwhelming majority
- Obtain FPIC in three circumstances
 - Adverse impacts on land and natural resources
 - Relocation of IP communities
 - Significant impacts on cultural heritage





The ore in that mountain is **ferruginous**,
But the project to mine it's **litigious**.
There's no need to **pout**, but you can't mine **without**
Our consent, because we are _____



Objectives

- Protect from adverse project activities
- Address cultural heritage protection as an integral aspect of sustainable development
- Anticipate and avoid risks and impacts
- Promote meaningful consultation with experts and other stakeholders
- Promote equitable sharing of benefits from project use of cultural heritage

- Address direct, indirect, and cumulative risks and impacts
- **Tangible and intangible** cultural heritage (including practices, knowledge, language)
- Consider local and community determined values, legal protection, and value of cultural heritage as a resource for further study
- Removal only under certain conditions
- Confidentiality considerations
- User access
- Chance finds
- Special requirements for different types of cultural heritage



ESS10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE



Objectives

- Establish informed and systematic approach
- Assess stakeholder interest and support through meaningful consultation and enable stakeholder views to be reflected in project design, implementation, and monitoring
- Promote and provide the means for effective and inclusive engagement with stakeholders
- Ensure timely disclosure of information on E&S risks and impacts
- Ensure the needs and concerns of disadvantaged or vulnerable PAPs are recognized
- Means to raise questions, concerns, and grievances
- Provide a safe space without threat of reprisal



- ESS10 applicability is determined as part of ESS1.
- Identification and analysis
- Engagement planning and implementation
- Stakeholder Engagement Plan and Framework
- Meaningful consultation: culturally appropriate, gender-responsive, accessible; formats tailored to stakeholder characteristics and concerns
- Special consideration of disadvantaged or vulnerable persons and groups
- Atmosphere free of manipulation, discrimination, coercion, intimidation, or threat of reprisals, safe, and appropriately designed to address these concerns
- Grievance management
- Monitoring including external monitoring where required
- Audit of earlier stakeholder engagement



Objectives

- Minimize absolute and relative GHG emissions
- Manage project-related climate risks and contribute to enhancing climate resilience

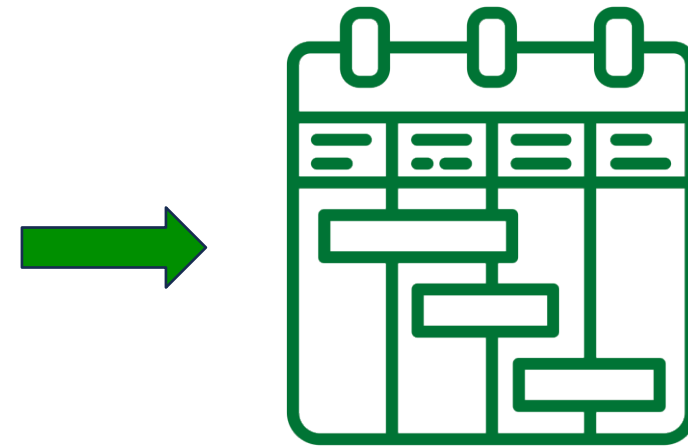
- Promote reduction of project-related GHG emissions
- Adopt measures to minimize GHG emissions where technically and financially feasible
- Climate risk assessment if a project has risk of increasing climate exposure or vulnerability of project-affected persons
- Adaptation and resilience measures where technically and financially feasible
- Disclose and monitor the ex-ante GHG estimation if above the reporting threshold
- Monitoring and disclosure





The energy strategy's **brilliant**,
But this dam will cost hundreds of **millions**.
Will the power **remain** if there is much less **rain**?
Better build in some .

ENVIRONMENTAL AND SOCIAL ASSESSMENT PROCESS: PREPARATION



- Identification of environmental and social risks
- Consultation with project stakeholders
- Application of a mitigation hierarchy as basis for design and implementation decisions

ADDRESSING ENVIRONMENTAL AND SOCIAL ISSUES THROUGHOUT THE PROJECT'S LIFETIME



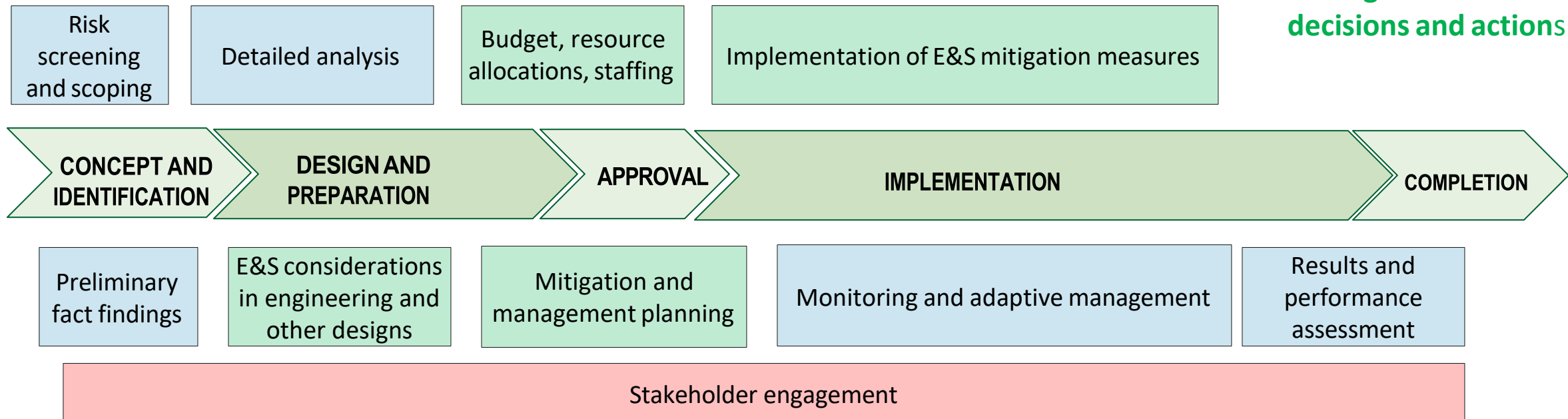
- **Analytical:**
Integrated environmental and social assessment as a process
- **Participatory:**
Ongoing stakeholder engagement
- **Operational:**
Integration of E&S issues into project design and implementation



Ongoing, iterative throughout the project's lifetime:

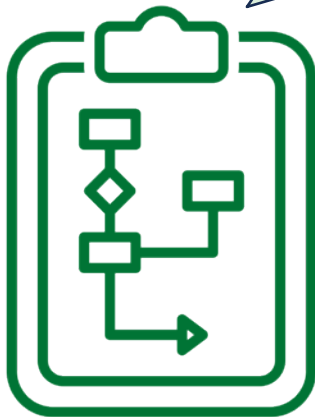
- **Assessment**
- **Stakeholder engagement**
- **Management decisions and actions**

ESS1: Assessment and Management of E&S Risks and Impacts:
Examples of different elements in the E&S Assessment process



“Tools, methods, plans, or framework to assess environmental and social risks and impact of a project, to determine mitigation measures and actions, and to implement such mitigation measures and actions in accordance with the ESSs”.

(ESF, definitions of terms)



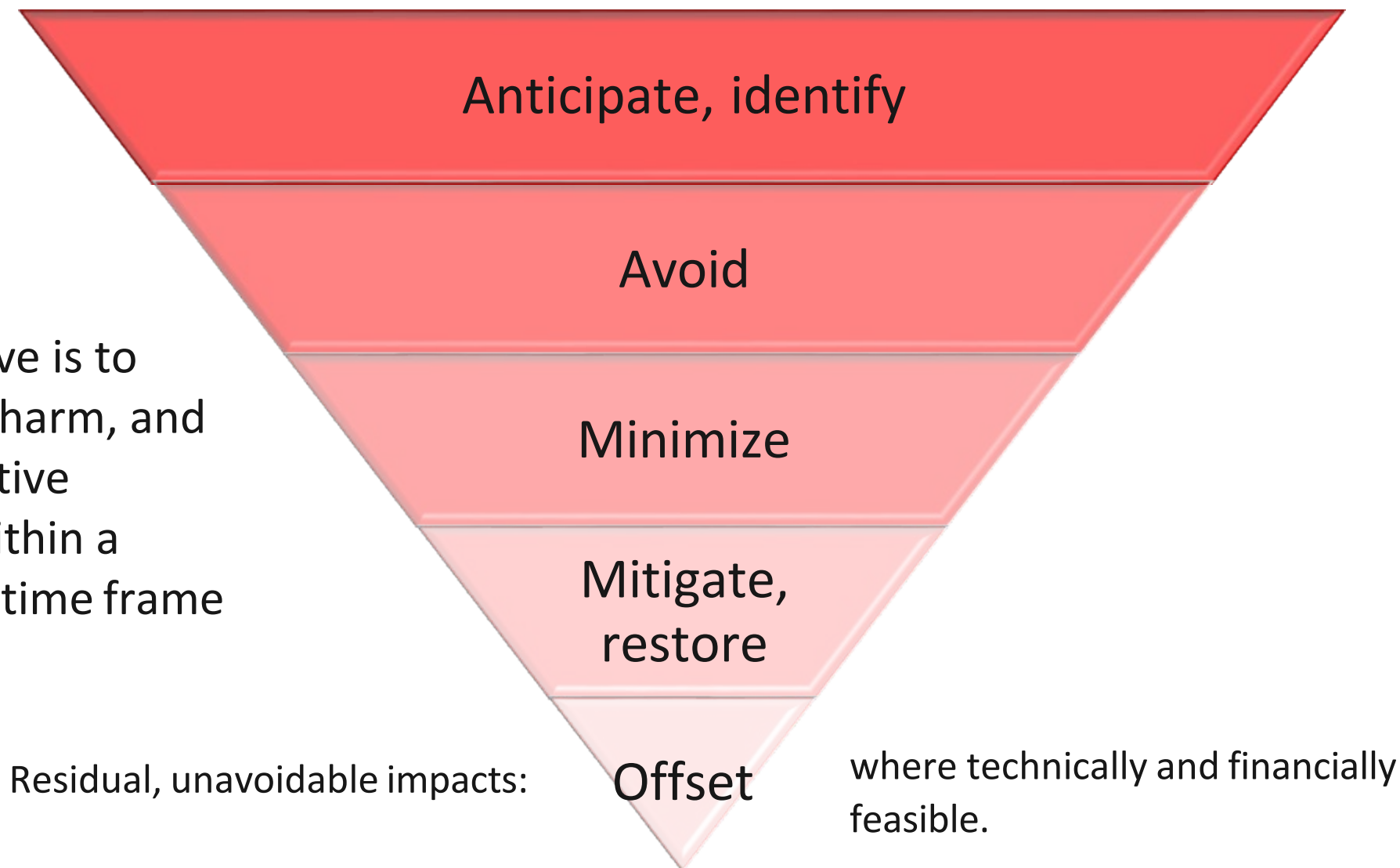
Examples

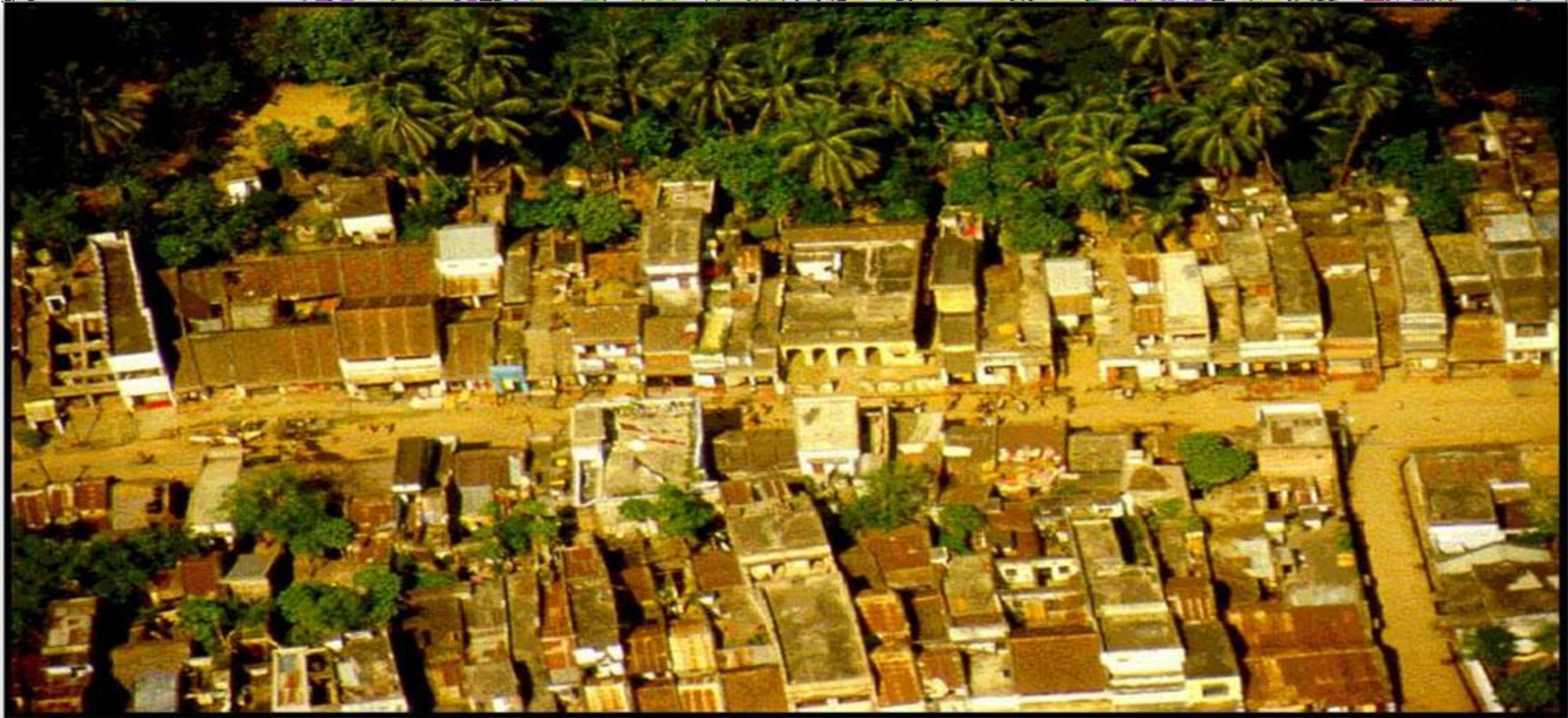
- E&S impact assessment (ESIA)
- E&S audit
- Cumulative impact assessment
- Land acquisition plan or framework
- Indigenous Peoples plan
- Biodiversity monitoring and evaluation plan
- Cultural heritage management plan
- Stakeholder engagement plan
- ... and other plans as agreed with ADB

Summary E&S Requirements of Different Financing Modalities

Modality	E&S Requirement
Project Lending	E&S assessments and management documents: E.g. ESIA, ESMP, SEP, LMP
Technical Assistance	Assess and manage E&S risks and impacts, including downstream activities; apply requirements of PBL for policy reforms and programs
Policy-based Lending	Assess E&S risks and impacts associated with policy actions and integrate mitigation measures to policy actions; may require strategic assessments in some cases
Project Readiness Financing	Where a PRF is classified as having E&S risks and impacts, the borrower assesses and manages these in accordance with the relevant ESSs
Results-based Lending	Provide information to assess the program systems; agree on measures to address gap; develop integrated risk management plan and eliminate high risk activities and prohibited investment activities list
Financial Intermediaries	Where ADB funding is provided to the FI for clearly defined transactions, the FI will apply relevant ESSs to those transactions ; Where ADB funding is provided to the FI for general purpose and undefined transactions, the ESSs will apply to the FI's full portfolio
Emergency Assistance Lending	ESMF; E&S assessment and management documents once approved
Sector Lending	E&S assessment and management documents for a sample sub-projects; strategic or sector-wide assessments; ESMF
Sector Development Program	Follow the PBL requirements for policy-based component and follow the E&S requirements of the modality for the investment component
Multitranche Financing Facility	For multiple projects: Tranche 1 E&S assessments and management documents: ESMF for later tranches For standalone projects (time-sliced): E&S assessments and management documents for the entire MFF; verification during later tranches
Small Expenditure Financing Facility	ESMF; E&S assessment and management documents once approved

The objective is to achieve no harm, and ideally positive benefits, within a reasonable time frame





- A new highway proposed for financing. From an engineering perspective it might be easiest to follow the existing alignment through a town.
- What are some E&S risks with this approach?
- What are some possible ways of applying the mitigation hierarchy, especially avoidance of E&S risks and impacts?

Applies in all projects with **E&S risks and impacts**, and promotes:

- Improved environmental and social **sustainability**
- Enhanced project **acceptance**
- Improved social, environmental, and financial **outcomes**
- Constructive and responsive **relationships**
- Input to project **decision-making** being important source of data and information about local values, priorities, and concerns



MEANINGFUL STAKEHOLDER ENGAGEMENT PROPORTIONATE TO PROJECT RISK LEVELS FOR DIFFERENT GROUPS



1. **Low: Inform**

E.g., bulletins, letters, websites, radio, brochures

2. **Moderate: Consult**

E.g., surveys, focus groups, workshops, public meetings

3. **Substantial: Collaborate**

E.g., joint projects, partnerships, documentation and feedback of stakeholder-responsive management decisions, participatory monitoring

4. **High: Empower**

E.g., integration of stakeholders into governance structures, stakeholder participation in grievance mechanisms, joint implementation committees, FPIC of Indigenous Peoples in certain circumstances

“Meaningful consultation is undertaken in an atmosphere free of external manipulation, discrimination, coercion, intimidation, and threat of reprisal, safe, and appropriately designed to address these concerns.”

(ESS10, para 22)



“ADB does not tolerate any form of reprisals in ADB-financed projects and will seek to take all steps within the limits of its ability to work with appropriate parties to address them, including requiring its borrowers/clients to provide protection to project-affected persons who raise concerns or grievances in or about such projects.”

(Vision statement, para 6)



Project grievance mechanism



**National legal system
and dispute
mechanisms**



**ADB Operations
Departments/Resident
Missions**

Accountability Mechanism

The Accountability Mechanism of ADB exists to provide an independent and effective forum for those affected by ADB-assisted projects to voice their concerns.

**ADB Accountability
Mechanism**

- Required in all projects
- Concerns and grievances of project-affected persons



Project grievance mechanism

Important characteristics of a grievance mechanism:

Objectiveness & independence

Confidentiality, impartiality and transparency

Confidentiality, anonymity

Speed & proportionality

Responsiveness & efficiency

Survivor-centricity

Simplicity and accessibility

Participation and social inclusion

Survivor safety



Proportionate to the risk, scale, and nature of the project:

- Stand-alone **SEP** or as part of another document
- Outline of stakeholder **engagement undertaken and to be undertaken**
- Analysis of host country applicable **laws**
- **Disaggregated** engagement mechanisms for different stakeholder categories, with particular emphasis on **disadvantaged and vulnerable** groups
- Document how stakeholder concerns are reflected in project **design and implementation**
- **Data privacy** procedures and confidentiality
- Participation during **implementation**
- **Monitoring** arrangements, including external monitoring where applicable
- **Human and financial resources and timelines**



Our monitoring is very **active**,
And by assumptions we won't be held **captive**.
It should not seem **strange** when we make a **change**.
Risk management should be _____.

ENVIRONMENTAL AND SOCIAL ASSESSMENT PROCESS: IMPLEMENTATION

*“ADB and the borrower/client will agree on an **adaptive management process** in which measures and actions necessary to meet the requirements of the ESSs will be identified and **implemented over a specified time frame** through an ESCP/ESAP...ADB will only allow such deferral...if the level of E&S risks and impacts of the activity to be assessed during project implementation is not likely to change the E&S conclusions for the project, and does not compromise the overall E&S readiness of a project.”*

(Environmental and Social Policy, para 38)

Under which circumstances can we defer actions until implementation?

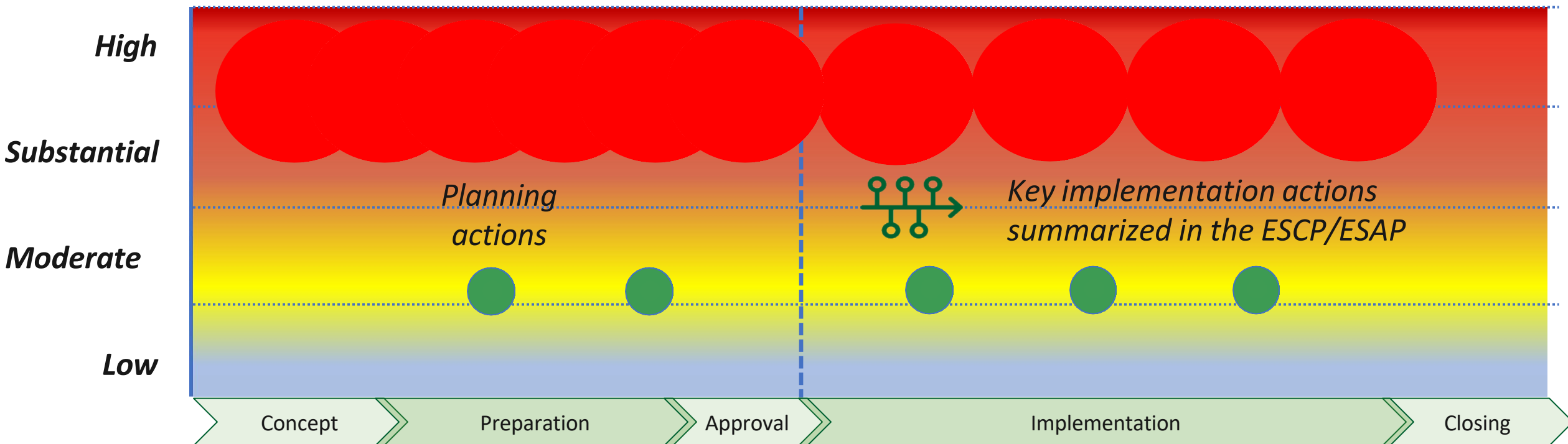
APPROVAL

IMPLEMENTATION

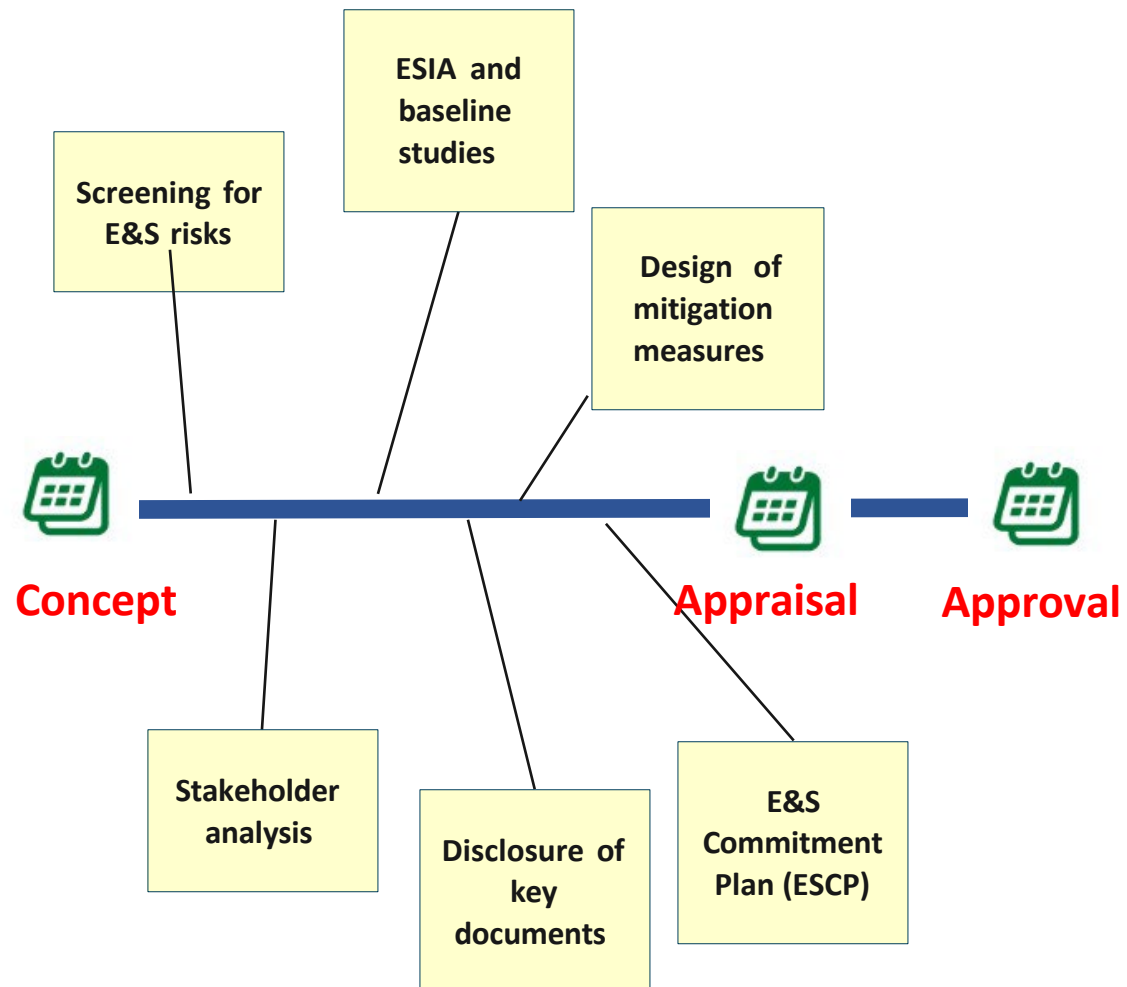
PROPORTIONALITY RELATIVE TO RISK CLASSIFICATION: TIMING, SEQUENCING, DEGREE OF EFFORT

Project Risk Levels

*Higher risk projects require more effort,
both during preparation and implementation*

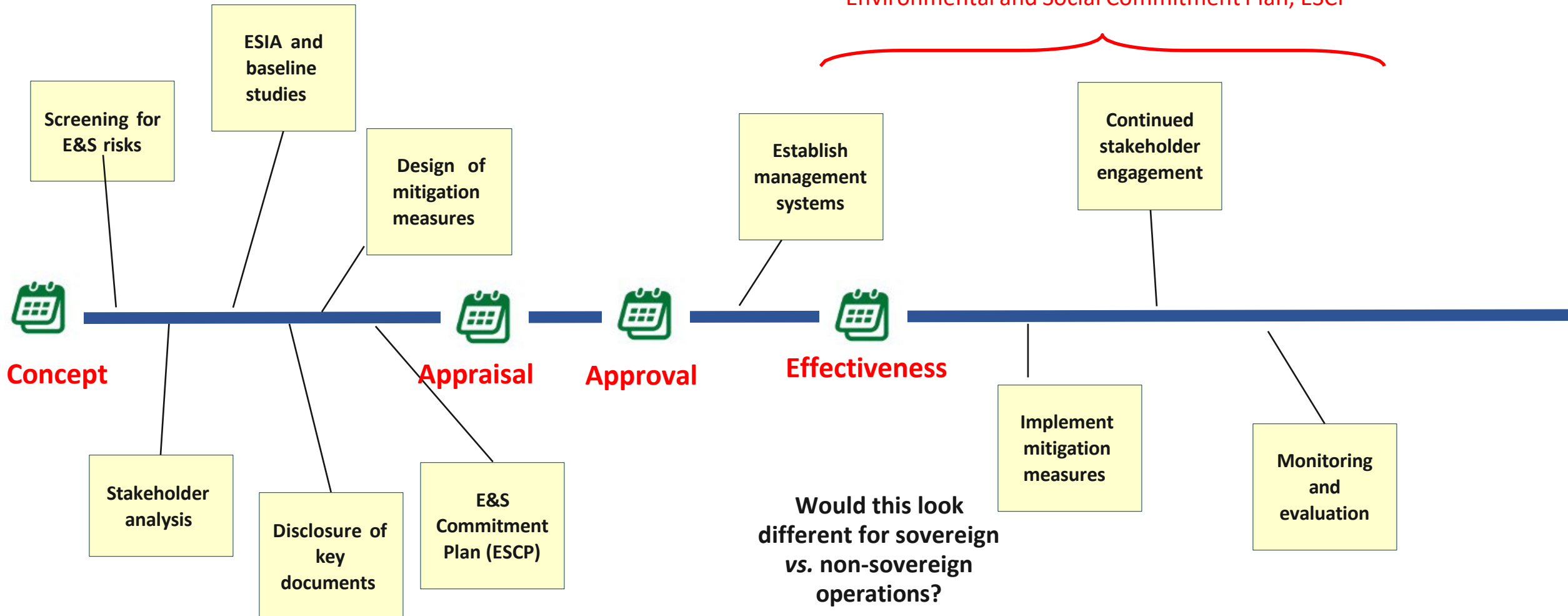


TIMELINE WITH EXAMPLES OF ACTIONS AND MILESTONES, E.G., STUDIES, CONSULTATIONS, PLANS, CAPACITY BUILDING, MITIGATION MEASURES



TIMELINE WITH EXAMPLES OF ACTIONS AND MILESTONES, E.G., STUDIES, CONSULTATIONS, PLANS, CAPACITY BUILDING, MITIGATION MEASURES

Actions and milestones to be included in the
Environmental and Social Commitment Plan, ESCP





- **Staffing and capacity?**
- **Management support and oversight?**
- **Budget resources?**
- **Clarity on responsibilities and coordination?**

Examples of implementation tasks:

- E&S Assessment process
- Stakeholder engagement planning and implementation
- E&S mitigation planning (e.g., ESMP, biodiversity plan, etc.)
- Documentation and disclosure
- Implementation of E&S management measures
- Land acquisition and land use restrictions
- Contractor management
- Budgeting and financial management
- Adaptive management
- Grievance mechanisms design and management
- Monitoring and reporting

WHY IS BORROWER CAPACITY IMPORTANT?

- Meet ESS objectives assessing and managing environmental and social risks and impacts
- Increase ownership and commitment
- Promote sustainability of development interventions also from an institutional perspective
- Business case: Capacity limitations frequently lead to delays and increased cost



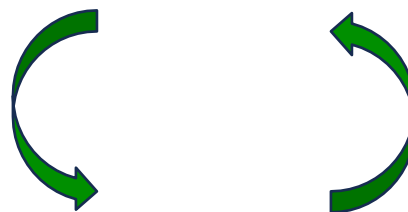


- Experience with similar tasks?
- Supportive external and internal environment (policies, laws, regulations, incentives, mandate)?
- Management support and likely incorporation of E&S issues into management, design, and implementation?
- Appropriate human, financial, technical and logistical resources including ability to strengthen capacity as needed in a reasonable timeframe?
- System for monitoring and assessing performance?
- Systems in place for institutional learning and improvement?



Senior
management

- Establish E&S policy framework
- Communication and value-setting
- Integration in decision-making
- Resourcing and capacity building



Technical
staff

- E&S technical, sectoral, operational, and country-level skills and knowledge
- Practical solutions-orientation
- Judgment and communication skills
- Multi-disciplinary team integration

*“ADB can consider the use of such systems if a project can achieve E&S outcomes by meeting **objectives materially consistent** with the ESSs..”*

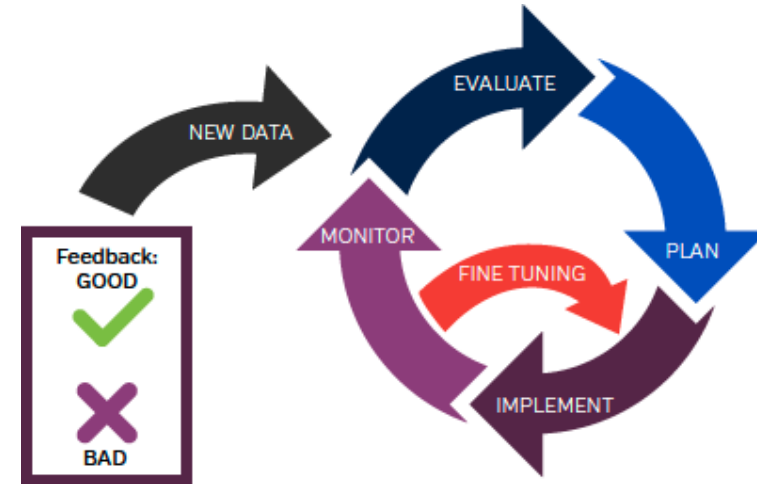
(ESF Policy Paper October 2024)

**Normative
framework**
(Laws, policies,
regulations)

Implementation
(Institutions,
capacity, resources,
coordination)

Accountability
(Governance,
stakeholder
engagement,
grievance
mechanisms)

Monitoring
Borrower responsibility
Project staff. May include participatory monitoring and independent experts.
Continuous
Focus on inputs (actions) and immediate outputs. Regular reporting and disclosure.



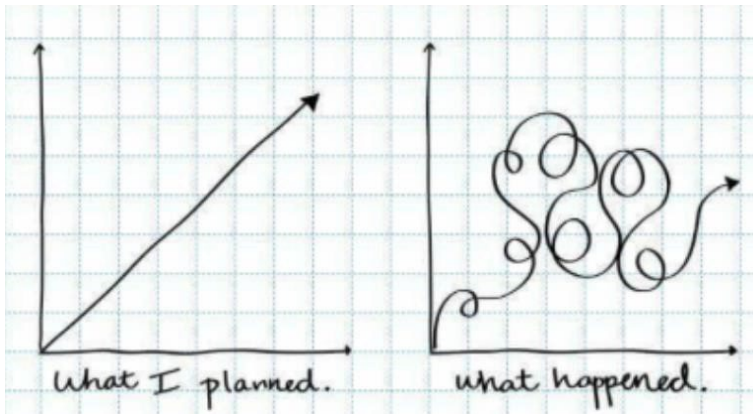
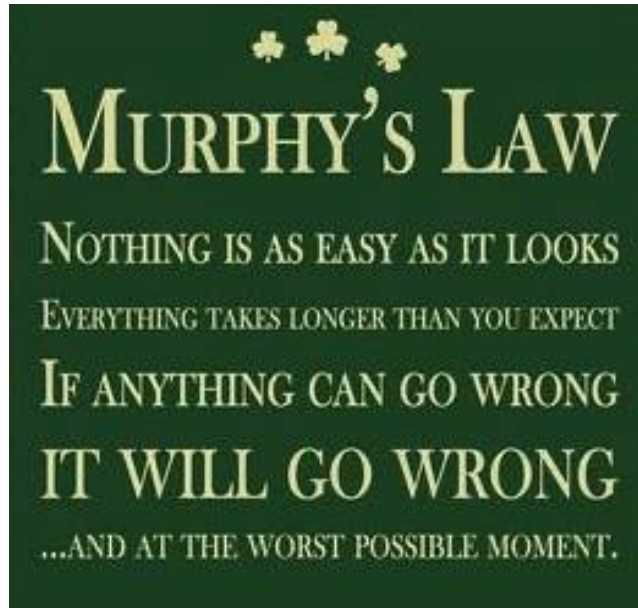
Objectives:

1. Informed decision-making
2. Timely resolution of issues, avoid escalation and conflict
3. Accountability
4. Institutional learning and strengthening

- **Baseline data, benchmarks, and targets**
- Combination of **quantitative and qualitative** indicators, including information on stakeholder engagement during project implementation.
- Agreement on when indicators trigger **actions and inputs** to the implementation process.
- Prompt **notification** to ADB of significant **incidents or accidents**
- Extent and methods for monitoring set out in the ESCP/ESAP
- Corrective and preventive measures and actions will be included in the **ESCP/ESAP**



- **Recording and tracking** of information and performance
- **Responsive** to changes in project circumstances and unforeseen risks and events
- **Proportionate** to E&S risks and impacts
- **High and Substantial Risk** projects:
 - Borrower/clients will engage with stakeholders and third-parties (e.g., local communities, external specialists, CSOs) to complement monitoring information
 - Borrower/clients will collaborate with third-parties when third-parties are responsible for managing specific E&S risks and impacts
 - Reporting to ADB at least semi-annually



- Plans don't always survive encounters with reality
- **Course corrections and management decisions** needed in response to delays, opposition, unanticipated problems
- Requires **flexibility, judgment, responsiveness**
- May require updating and changes in plans including ESCP/ESAP
- Implications for budgets, staffing, responsibilities?

- Review of monitoring reports
- Verification, site visits, interviews
- Review of ESCP actions and milestones
- Assessment of performance and progress towards expected outcomes
- Implementation support and advice
- Agreement on corrective actions as needed

“ADB will monitor a borrower’s/client’s E&S performance in accordance with the requirements in the ESCP/ESAP.”
(Environmental and Social Policy, para 60)



- Advice to ADB and borrowers/clients on due diligence process
- Risk screening and classification
- Internal capacity building within ADB
- Support to borrower/clients in operations
- Analytical work, e.g., Strategic Environmental and Social Assessment (SESA)
- Support to strengthening and using borrower systems
- Partnerships and coordination



COFFEE / TEA BREAK



15 MINUTES

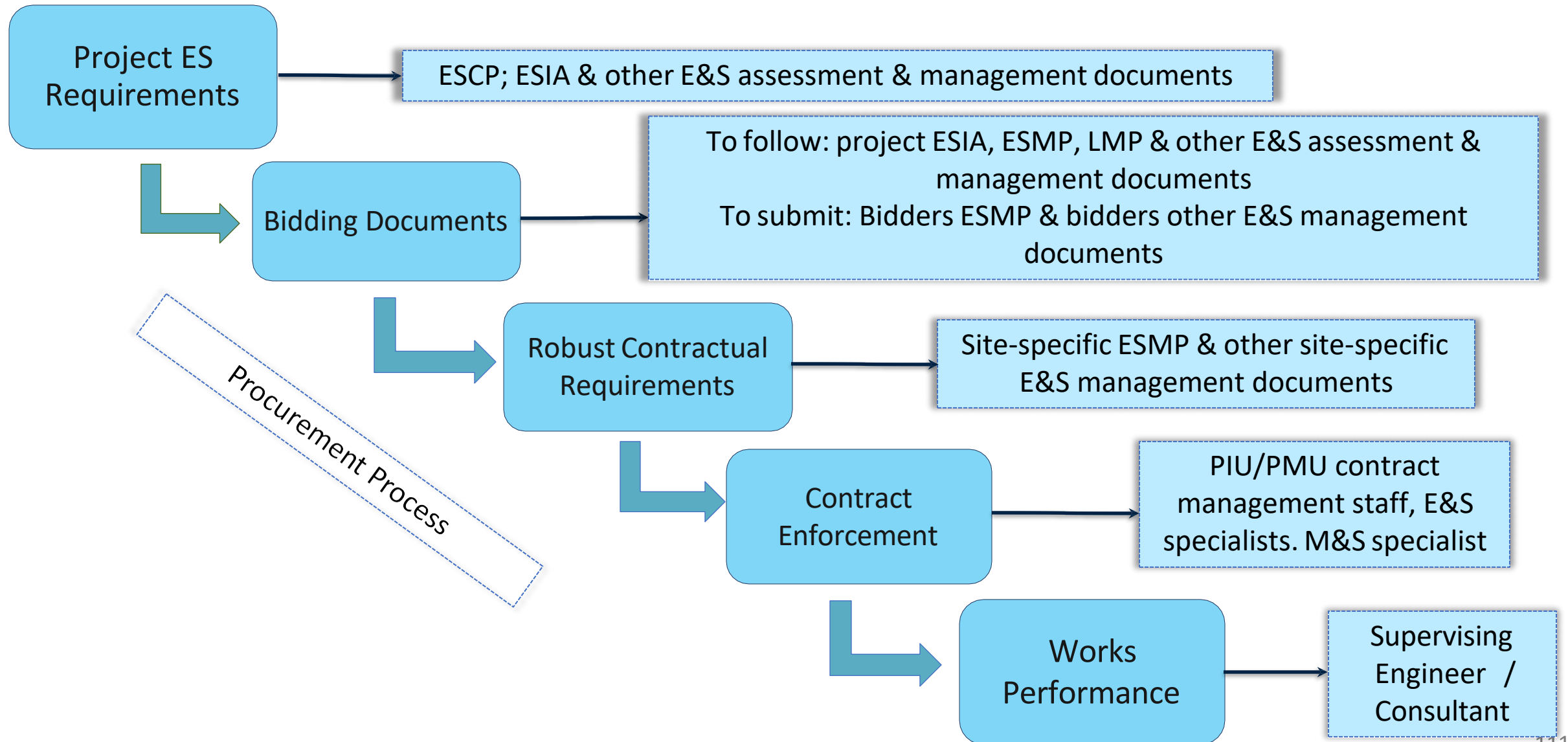
PROCUREMENT AND CONTRACTOR MANAGEMENT

“The borrower/client will require that all contractors and subcontractors engaged on a project operate in a manner consistent with the requirements of the ESSs, including the specific requirements set out in the ESCP/ESAP.”

(ESS1, para 64)

Borrowers will:

- Assess **contract-related E&S risks and impacts**
- Ensure that contractors have necessary E&S **experience and skills**
- Include E&S requirements in **bidding documents and contracts**
- Require contractors to implement **corrective actions** as needed
- **Monitor** contractor compliance
- Require contractors to have equivalent arrangements with **subcontractors**





- Coordination between E&S and procurement
- Evaluation: Merit point criteria
 - Relevant previous experience
 - Key personnel qualifications
 - Institutional systems & certifications
 - Performance records & references
 - Technical Proposal Quality
- Performance security
- Penalties

- **Clear description** of what the appointed contractor needs to deliver
 - Clearly written in simple language
 - Unambiguous to avoid misinterpretation
 - Actionable by the bidder and not requiring inputs from others
 - Clear understanding of how it is priced
- Specification content to be derived from **project E&S requirements and other relevant standards**, e.g., World Bank EHS Guidelines, nationally ratified ILO and WHO standards, other applicable requirements
- E&S requirements should **not include requirements already covered** by
 - General or particular conditions of contract
 - General or technical specifications
 - Design features such as drawings



1706 PREVENTION OF WATER POLLUTION

Tells the contractor the required outcome, not how to achieve it.

(a) General

The Contractor's construction activities shall be performed by methods that will prevent entrance, or accidental spillage, of solid matter, contaminants, debris, and other pollutants and wastes into streams, flowing or dry watercourses, lakes, and underground water sources. Such pollutants and wastes include, but are not restricted to, refuse, garbage, cement, concrete, sanitary waste, industrial waste, radioactive substances, oil and other petroleum products, aggregate processing tailings, mineral salts, and thermal pollution.

Provides definition, but without being restrictive

Guides the contractor on acceptable solutions

Dewatering work for structure foundations or earthwork operations adjacent to, or encroaching on, streams or watercourses shall be conducted in a manner to prevent muddy water and eroded materials from entering the streams or watercourses by construction of intercepting ditches, bypass channels, barriers, settling ponds, or by other approved means. Excavated materials or other construction materials shall not be stockpiled or deposited near or on stream banks, lake shorelines, or other watercourse perimeters where they can be washed away by high water or storm runoff or can in any way encroach upon the watercourse itself.

Makes it clear what agreements are needed, including for any deviations from acceptable solutions

EXAMPLE: FISH LADDERS AND CONTRACTOR SPECIFICATIONS



EXAMPLE: SALMON LADDERS





- Who is responsible for ensuring that the contractor complies with contract requirements?
- How is that done?
- What should the supervising engineer look for onsite?
- How do you address non-compliance?

- You are on a supervision mission and observe this situation.
- What non-conformances can you identify here?
- What corrective actions are appropriate?



Children paid by a local labor supplier through a project subcontractor to help build a remote school financed by an ADB-supported primary education project

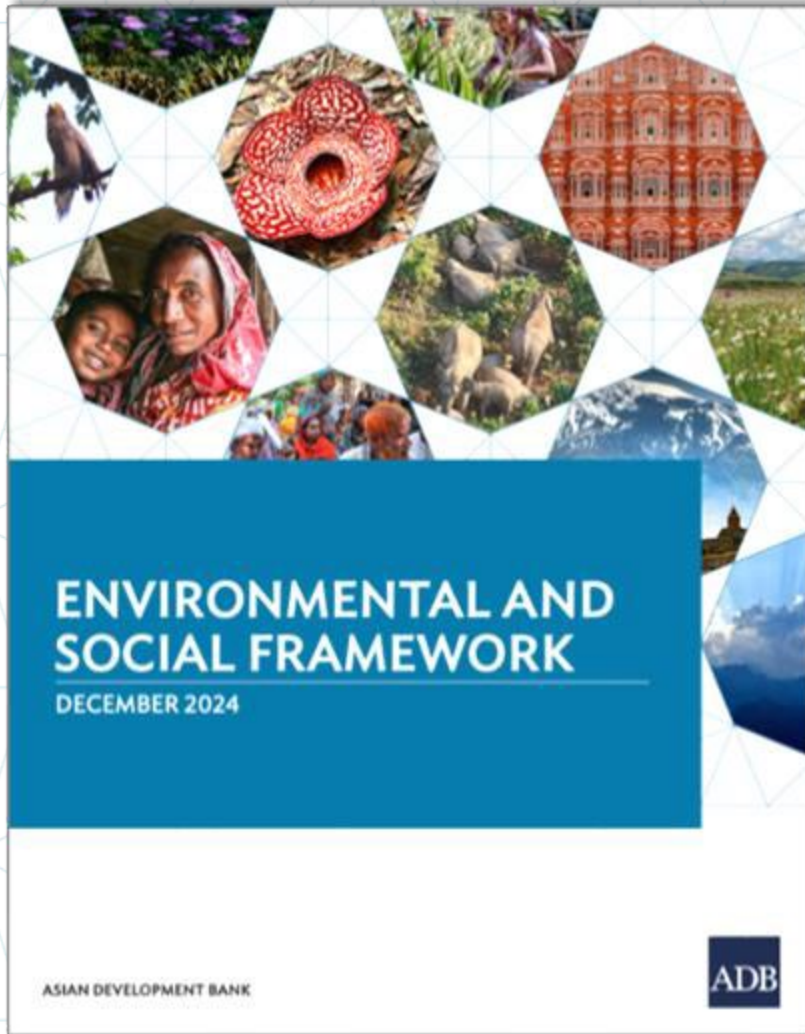


And so, this fine training now **ends**,
One message I leave you, my **friends**.
There's no need for **tension**; whatever the **question**,
The answer can be: “ .”

Help us improve future sessions by answering this post-event survey



REFLECTIONS AND CLOSING REMARKS



OFFICE OF SAFEGUARDS

End of ESF Orientation Workshop