

**GUIDELINES ON ENVIRONMENTAL AND SOCIAL  
CONSIDERATIONS IN TRADE INSURANCE**

**July, 2009**

**NIPPON EXPORT AND INVESTMENT INSURANCE**

If there is any ambiguity in English version and/or any inconsistency with Japanese version, the Japanese version prevails.

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## **Guidelines on Environmental and Social Considerations in Trade Insurance**

### **1. Commitment of NEXI according to the captioned guidelines**

These guidelines (hereinafter referred to as the "Guidelines") provide Environmental Policy and procedures employed by Nippon Export and Investment Insurance (hereinafter referred to as "NEXI") to confirm environmental and social considerations in trade insurance. According to the Guidelines, NEXI commits itself to contribute to sound development of Japan's external transactions such as foreign trade by confirming whether the project sponsors and relevant parties (hereinafter referred to as the "project sponsors") have implemented appropriate environmental and social considerations in the projects (hereinafter referred to as the "project" or the "projects") subject to NEXI's insurance services.

### **2. Environmental Policy**

The project sponsors are responsible for environmental and social considerations for the project. NEXI confirms such considerations in light of the Guidelines.

NEXI encourages the project sponsors in the projects that are subject to NEXI's insurance services, via the applicants for insurance services such as exporters and others (hereinafter referred to as the "Applicants"), to undertake appropriate environmental and social considerations in accordance with the nature of the project, based on the principles listed in Exhibit 1 of the Guidelines.

NEXI confirms whether the project sponsors implement appropriate environmental and social considerations, so as to prevent or mitigate potential impacts on environment (i.e. not only on the natural environment, but also on social issues such as involuntary resettlement and respect for the human rights of indigenous peoples: hereinafter referred to as the "environment") which may be caused by the projects relating to insurance (two years or more) services from NEXI.

NEXI's confirmation of environmental and social considerations is one of the most important components in its risk assessment. NEXI incorporates the outcomes of its confirmation of environmental and social considerations in its decisions on issuance of commitment (or on conclusion of an insurance contract if application for commitment is not made. The same applies hereafter.). If, as a result of its confirmation of environmental and social considerations, NEXI judges that the relevant project will cause adverse impacts on the environment, it encourages the project sponsors, through the Applicants, to undertake appropriate environmental and social considerations, and there may be cases where a commitment letter is not issued.

NEXI prescribes its procedures for confirmation of environmental and social considerations such as to

classify the projects into 3 categories through screening and to implement Environmental Review for each category and engages to disclose information. In so doing, NEXI endeavors to ensure transparency, predictability and accountability in its decision on issuance of commitment from the viewpoint of environmental and social considerations, taking into account the constraints of the Applicants' business confidentiality and competitive concerns.

Even after making a decision on issuance of commitment, NEXI will take appropriate actions to confirm the status of monitoring by the project sponsor via the Applicants when necessary.

### **3. Procedures for Confirmation of Environmental and Social Considerations (Pre-commitment)**

#### **(1) Screening**

NEXI confirms environmental and social considerations in the projects to be applied by its insurance service, in principle, at the stage of risk assessment.

The Applicants should submit a copy of the Screening Form to NEXI head office at the stage of application for commitment of NEXI's trade insurance for projects. Applicants who wish to apply for the above mentioned procedures through Internet service may apply in accordance with the "Usage of Web Application Service" that is provided separately.

NEXI classifies the project into one of the categories prescribed in (2) below based on the Screening Form submitted by the Applicants at the earliest stage of risk assessment (this process is hereinafter referred to as "screening"). NEXI may request the Applicants to submit additional information when necessary.

NEXI conducts screening in terms of such factors as the project sponsor, the sector, size, location, and the potentiality of adverse environmental impacts by identifying its potential environmental impacts based on the information submitted by the Applicants (see Annex 1), and by taking into consideration whether environmental review is necessary, and if necessary, the degree of necessity of such review.

NEXI may revise the categorization of the projects when necessary, e.g., in cases where environmental impacts worth considering come to light after screening once being performed on the basis of information provided by the Applicants.

#### **(2) Categorization**

##### **[Category A]**

Projects that are likely to have significant adverse impacts on the environment are classified into Category A. Projects with complicated or unprecedented impacts that are difficult to assess are also classified as Category A. The impacts of Category A projects may affect an area broader than the sites or facilities subject to physical construction. Category A, in principle, includes projects in sensitive sectors (i.e., sectors that are liable to cause adverse environmental impacts) or with sensitive characteristics (i.e., characteristics that are liable to cause adverse environmental impacts) and projects located in or near sensitive areas.

An illustrative list of sensitive sectors, sensitive characteristics and sensitive areas is given below:

### 1. Sensitive Sectors

Large-scale projects in the following sectors:

- (1) Mining
- (2) Oil and natural gas development
- (3) Pipelines
- (4) Iron and steel (projects that include large furnaces)
- (5) Non-ferrous metals smelting and refining
- (6) Petrochemicals (manufacture of raw materials; including complexes)
- (7) Petroleum refining
- (8) Oil, gas and chemical terminals
- (9) Paper and pulp
- (10) Manufacture and transport of toxic or poisonous substances regulated by international treaties, etc.
- (11) Thermal power
- (12) Nuclear power
- (13) Hydropower, dams and reservoirs
- (14) Power transmission and distribution lines involving large-scale involuntary resettlement, large-scale logging or submarine electrical cables
- (15) Roads, railways and bridges
- (16) Airports
- (17) Ports and harbors
- (18) Sewage and wastewater treatment having sensitive characteristics or located in sensitive areas or their vicinity
- (19) Waste management and disposal
- (20) Agriculture involving large-scale land-clearing or irrigation
- (21) Forestry
- (22) Tourism (construction of hotels, etc.)

### 2. Sensitive Characteristics

- (1) Large-scale involuntary resettlement
- (2) Large-scale groundwater pumping
- (3) Large-scale land reclamation, land development and land-clearing
- (4) Large-scale logging

### 3. Sensitive Areas

Projects in the following areas or their vicinity

- (1) National parks, nationally-designated protected areas (coastal areas, wetlands, areas for ethnic minorities or indigenous peoples, and cultural heritage, etc. designated by national governments)
- (2) Areas considered to require careful consideration by the country or locality

<Natural Environment>

- (a) Primary forests or natural forests in tropical areas
- (b) Habitats with important ecological value (coral reefs, mangrove wetlands and tidal flats, etc.)
- (c) Habitats of rare species requiring protection under domestic legislation, international treaties, etc.
- (d) Areas in danger of large-scale salt accumulation or soil erosion
- (e) Areas with a remarkable tendency towards desertification

<Social Environment>

- (a) Areas with unique archeological, historical or cultural value
- (b) Areas inhabited by ethnic minorities, indigenous peoples or nomadic peoples with traditional ways of life and other areas with special social value

**[Category B]**

Projects with potential adverse environmental impacts less adverse than those of Category A are classified as Category B. Typically, these impacts are site-specific, few if any are irreversible, and in most cases normal mitigation measures can be designed more readily.

**[Category C]**

A proposed project is classified as Category C, if it is likely to have minimal or no adverse environmental impacts. Projects that correspond to one of the following (1) to (3) are, in principle, classified as Category C, with the exception of projects with sensitive characteristics and projects located in or near sensitive areas as included in Category A:

- (1) Projects of which insurable value is SDR 10 million or less;
- (2) Sectors or projects in which no particular environmental impact would be normally expected (e.g., maintenance of existing facilities and acquisition of equity interest without additional capital investment); or
- (3) Cases in which involvement of the Applicants is only a minor part of a project, such as the export of items of machinery or equipment that is not connected with a particular project, and where there would be little reasonable significance in NEXI's conducting an environmental review.

**(3) Environmental Review**

After the screening process, NEXI carries out environmental reviews for the projects subject to NEXI's insurance services, according to the following procedures for each category.

NEXI requests from the Applicants information on potential environmental impacts of the concerned project, environmental standards to be applied to the concerned project by the relevant parties and the results of public consultations with relevant stakeholders.

Exchanging information with relevant institutions, NEXI conducts appropriate environmental reviews utilizing information provided by the stakeholders, including local residents and local NGOs (hereinafter referred to as the "stakeholders").

NEXI ascertains whether a project complies with environmental laws and standards of the host national and local governments concerned.

NEXI ascertains whether a project meets the relevant aspects of World Bank Safeguard Policy OP4.01, OP4.04, OP4.09, OP4.10, OP4.11, OP4.12, OP4.36, OP4.37, OP7.50 and OP7.60; provided, however, for private sector limited or non-recourse project finance cases, or for where appropriate, NEXI ascertains whether the project meets the relevant aspects of performance standard 1 through performance standard 8 of International Finance Corporation. When deemed appropriate, NEXI also uses, as reference points or benchmarks, standards established by other international financial institutions, other internationally recognized standards, and standards or good practices established by developed countries such as Japan. If NEXI believes environmental and social considerations of the project substantially deviate from these standards and good practices, it confirms the background and rationale for this, and when necessary, countermeasures against such deviation.

#### **[Category A]**

Environmental reviews for Category A projects examine the projects' potential negative and positive environmental impacts as well as measures to prevent, minimize, mitigate or compensate for the potential negative impacts and to improve environmental performance. The Applicants must submit Environmental Impact Assessment (EIA) reports (see Exhibit 2) and environmental permit certificates issued by the project country's government for Category A projects to NEXI's head office. The Applicants must submit to NEXI's head office resettlement plans (see Exhibit 1 (Involuntary Resettlement)) in the case of projects involving large-scale involuntary resettlement, and plans for indigenous peoples (see Exhibit 1 (Indigenous Peoples)) in the case of projects in which measures for indigenous peoples are required. NEXI undertakes its environmental reviews based on the EIA reports and other information prepared by the project sponsors and submitted through the Applicants. During environmental reviews, NEXI confirms involvement of the stakeholders and the progress of disclosure in connection with the relevant projects, which are implemented according to the host country's system of environmental impact assessment.

#### **[Category B]**

The scope of the environmental review may vary depending on each project and that for Category B projects is narrower than that for Category A projects. Similarly to Category A reviews, environmental reviews for category B projects examine the project's potential negative and positive environmental impacts, including measures necessary to prevent, minimize, mitigate or compensate for the potential negative impacts and to improve environmental performance. NEXI conducts environmental reviews based on the information provided by the Applicants. In cases where an EIA procedure has been developed, the EIA report and environmental permit certificates issued by the project country's government may be referred to, but this is not a mandatory requirement.

#### **[Category C]**

For Category C projects, environmental reviews will be omitted.

The corresponding environmental checklists (see Exhibit 2) for each sector will be referred to in conducting the aforementioned reviews.

#### **4. Incorporating Environmental Reviews into Decision-making**

The outcome of screening and environmental review is taken into account in NEXI's decisions on issuance of commitment. In cases where a certain project might have any significant adverse environmental impact on the host country by lack of appropriate environmental and social considerations, NEXI will encourage the project sponsors, via the Applicants, to give such appropriate considerations. Under certain circumstances, where the project is not recognized to be contributive to sound development of Japan's external transactions and/or economic or social development of the host country, there may be cases where a commitment letter is not issued.

NEXI may include additional requirements on environmental and social considerations (hereinafter referred to as the "Environmental Special Clauses") in the commitment letters, insurance policies and other accompanying documents to assure the implementation of environmental and social considerations by the Applicants or the project sponsors.

#### **5. Assurance of Environmental and Social Considerations (Post-Commitment)**

- (1) When necessary, even after commitment, NEXI requests the concerned project sponsors via the Applicants to provide information to judge whether environmental and social considerations are appropriately implemented. For Category A and B projects, in order to confirm the project sponsors' appropriate implementation of environmental and social considerations, NEXI in principle confirms through the Applicant for a certain period of time from issuance of commitment the results of monitoring by the project sponsors of items which could have significant environmental impacts (see Exhibit 3).
- (2) If NEXI judges that there is a need for improvement in the situation with respect to environmental and social considerations regarding the project to which a commitment letter has been issued, it may ask the relevant project sponsor through the Applicant to take appropriate actions, taking into account practicability of the measures and the extent of the Applicants' involvement in the project.
- (3) NEXI may cancel the commitment (or the contract after conclusion of the insurance contract) in the following cases:
  - a) Where it is proved that there is any false description in the Screening Form submitted by the Applicant at the time of commitment application;
  - b) Where the Applicant has intentionally or unintentionally failed to report to NEXI any critical fact on its judgment in confirming environmental and social considerations or made a false report; or
  - c) Where the Applicant has violated any of the Environmental Special Clauses.

#### **6. Disclosure of Information Regarding Confirmation of Environmental and Social Considerations**

NEXI respects business confidentiality of the Applicants and engages in disclosing information on confirmation of environmental and social considerations in accordance with the following clauses of (1) to (6) to ensure its transparency and accountability, taking into account the nature of each project. NEXI will strive for further information disclosure by encouraging the project sponsors through the Applicants while complying with the relevant laws and ordinances in the project country.

- (1) Upon completion of the screening of a project, NEXI discloses, as soon as possible, the project

name, country, location, an outline of the project and sector of the project, and its category classification, as well as the reasons for the classification.

- (2) For Category A and Category B projects, NEXI publishes on its website the status of acquirement of the EIA reports and environmental permit certificates issued by the host government or other appropriate authority (hereinafter referred to as “the EIA reports, etc.”) obtained from the Applicants for confirming environmental and social considerations and promptly makes the EIA reports, etc. available on its website. Of the documents other than the EIA reports, etc. obtained by NEXI from the Applicants for confirming the environmental and social considerations, NEXI publishes the status of obtaining those that are being disclosed to the public in the project country and make them available on the NEXI website promptly.
- (3) NEXI endeavors to disclose information prescribed in (1) and (2) above in a manner that allows enough time before decision-making on covering by NEXI.
- (4) After conclusion of an insurance contract, NEXI provides on its website the results of its environmental reviews of the projects in Categories A and B for public perusal.
- (5) After conclusion of an insurance contract, NEXI provides on its website the results of monitoring conducted by project sponsors regarding the projects in Categories A and B only to the extent that the information of the project is disclosed to public in the project country.
- (6) NEXI pays due consideration to the commercial confidentiality of the Applicants, taking into account their competitive relationships, and encourages them to exclude such confidential information from any documents on environmental and social considerations submitted by them which may later be subjected to public disclosure. Any information that is excluded from public disclosure in the contract between NEXI and the Applicants may only be disclosed either with the agreement of the Applicants or in accordance with legal requirements.

## **7. Ensuring Compliance with the Guidelines**

NEXI endeavors to ensure appropriate implementation of the policies and procedures stated in these Guidelines and compliance with the Guidelines. In order to ensure its compliance with the Guidelines, NEXI accepts objections regarding its non-compliance with the Guidelines and takes the necessary action.

### **Supplementary Provision**

These Guidelines shall come into force from April 1, 2001.

### **Supplementary Provisions**

(Effective date of these Guidelines)

This Revised Guidelines shall come into force from October 1, 2003.

(Interim Measure)



The original Guidelines shall apply to the projects for which insurance applications have been made before the effective date of these revised Guidelines.

**(Review of the Guidelines)**

The Guidelines will be reviewed in future when necessary, taking into account future review progress of Common Approaches on Environment and Officially Supported Export Credits at OECD Working Party on Export Credits and Credit Guarantees and the status of the Guidelines' implementation.

**Supplementary Provisions**

This Revised Guidelines shall come into force from April 1, 2005.

**Supplementary Provisions**

This Revised Guidelines shall come into force from December 4, 2006.

**Supplementary Provisions**

The revised Guidelines shall come into force from October 1, 2009. To projects regarding which Screening Forms have been received by NEXI before the enforcement date, prior procedures including the previous Guidelines shall apply.

## **Exhibit 1**

### **Environmental and Social Considerations Required of Covered Projects**

In principle, appropriate environmental and social considerations are undertaken, according to the nature of the project, based on the following:

#### (Underlying Principles)

- Environmental impacts that may be caused by a project must be assessed and examined from the earliest planning stage possible. Alternative proposals or minimization measures to prevent or reduce such adverse impacts must be examined and incorporated into the project plan:
- Such examination must include analysis of environmental costs and benefits in as quantitative terms as possible, and be conducted in close harmony with economic, financial, institutional, social and technical analyses of the project;
- The findings of such examination of environmental and social considerations must include alternative proposals and mitigation measures and be recorded as separate documents or as parts of other documents. Environmental Impact Assessment (EIA) reports must be produced for projects relating to which there is a reasonable expectation of particularly large adverse impacts; and
- For projects that have particularly large potential adverse impacts or are highly contentious, a committee of experts may be formed to seek their opinions, in order to increase accountability.

#### (Examination of Measures)

- Multiple alternative proposals must be examined to prevent or minimize adverse impacts and to choose a better project option in terms of environmental and social considerations. In examination of measures, priority is to be given to the prevention of environmental impacts, and when this is not possible, minimization and reduction of impacts must be considered next. Compensation measures must be examined only when impacts cannot be

prevented by any of the aforementioned measures; and

- Appropriate follow-up plans and systems, such as monitoring plans and environmental management plans, must be prepared; and costs of implementing such plans and systems, and financial methods of budgeting to obtain funds for such costs must be determined. Plans for projects with particularly large potential adverse impacts must be accompanied by detailed environmental management plans.

(Scope of Impacts to be Examined)

- Environmental impacts to be investigated and examined include factors that impact human health and safety as well as the natural environment, such as: air, water, soil, waste, accidents, water usage, ecosystems, and biota; social concerns (e.g. involuntary resettlement, indigenous peoples, cultural heritage, landscape, gender, children's rights, communicable diseases such as HIV/AIDS and the working conditions (including occupational safety)) and impacts that may lead to trans-boundary and global environmental problems; and
- In addition to the direct and immediate impacts of projects, derivative, secondary and cumulative impacts are also to be examined and investigated to a reasonable extent. It is also desirable that the impacts as could take effect at any time during the duration of the project be continuously considered throughout the life cycle of the project.

(Compliance with Laws, Standards and Plans)

- Projects must comply with laws, ordinances and standards relating to environmental and social considerations established by the governments that have jurisdiction over the project site (including both national and local governments). They are also to conform to environmental and social consideration policies and plans of the governments that have jurisdiction over the project site; and
- Projects must, in principle, be undertaken outside protected areas that are specifically designated by laws or ordinances of the government for the conservation of nature or cultural heritage (excluding projects whose primary objectives are to promote the protection or restoration of such designated areas). Projects are also not to impose significant adverse impacts on such designated conservation areas.

(Ecosystem and Biota)

- Projects must not involve significant conversion or significant degradation of critical natural habitats and critical forests; and
- Illegal logging of forests must be avoided. For the projects involving commercial harvest, the project proponents are encouraged to obtain certifications by forest certification systems as a way to ensure prevention of illegal logging.

(Social Acceptability and Social Impacts)

- Projects must be adequately coordinated so that the projects are accepted in a manner that is socially appropriate to the country and locality in which the project is planned. For projects with potentially large environmental impacts in particular, sufficient consultations with stakeholders, such as local residents, must be conducted via disclosure of information from an early stage when alternative proposals for the project plans may be examined. The outcomes of such consultations must be incorporated into the contents of the project plan; and
- Appropriate consideration must be given to vulnerable social groups, such as women, children, the elderly, the poor, and ethnic minorities, all of whom are susceptible to various environmental and social impacts and who may have little access, within society, to decision-making processes.

(Involuntary Resettlement)

- Involuntary resettlement and loss of means of livelihood are to be avoided where feasible, exploring all viable alternatives. When it is not feasible to avoid them even after such examination, effective measures to minimize impacts and compensate for losses must be agreed upon with the people to be affected;
- People to be resettled involuntarily and people whose means of livelihood will be hindered or lost must be sufficiently compensated and supported by the project proponents, etc. at an appropriate time. Prior compensation, at full replacement cost, must be provided, to the extent possible. The project proponents, etc. must make efforts to enable such affected people to improve their standard of living, income opportunities and production levels, or at

least to restore them to pre-project levels. Measures to achieve this purpose may include providing land and monetary compensation for losses (to cover land and property losses), supporting the means for an alternative sustainable livelihood, and providing the expenses necessary for relocation and the re-establishment of a community at relocation sites;

- Appropriate participation by affected people and communities must be promoted in planning, implementation and monitoring of involuntary resettlement plans and measures against loss of means of livelihood. In addition, grievance mechanisms must be established for the people affected and their communities; and
- For projects that will result in large-scale involuntary resettlement, resettlement plans must be prepared and made available to the public. In preparing a resettlement plan, consultations must be made with the affected people and communities based on sufficient information made available to them in advance. When consultations are held, explanations must be given in a form, manner, and language understandable to the affected people. It is desirable that the resettlement plan include elements laid out in the World Bank Safeguard Policy, OP4.12, Annex A.

#### (Indigenous Peoples)

- Any adverse impacts a project may have on indigenous peoples are to be avoided where feasible, exploring all viable alternatives. When it is not feasible to avoid them even after such examination, effective measures to minimize impacts and compensate for their losses must be taken for indigenous peoples;
- When a project may have adverse impacts on indigenous peoples, all of their rights in relation to land and resources must be respected in accordance with the spirit of the relevant international declarations and treaties, and efforts must be made to obtain the consent of indigenous peoples in a process of free, prior, and informed consultation; and
- Measures for the affected indigenous peoples must be prepared as an indigenous peoples plan (which, according to circumstances, may constitute a part of other documents for environmental and social considerations) and made public in compliance with the relevant laws and ordinances in the project country. In preparing the indigenous peoples plan,

consultations must be made with the affected indigenous peoples based on sufficient information made available to them in advance. When consultations are held, it is desirable that explanations must be given in a form, manner, and language understandable to indigenous peoples. It is desirable that the indigenous peoples plan include the elements laid out in the World Bank Safeguard Policy, OP4.10, Annex B.

(Monitoring and Follow-up)

- It is desirable that, after a project begins, the project proponents monitor (i) whether any situations that were unforeseeable before the project begins have arisen and (ii) the implementation situation and effectiveness of the mitigation measures prepared in advance, and that they then take appropriate measures (together with a follow-up, hereinafter referred to as “monitoring”) based on the results of such monitoring;
- In cases where sufficient monitoring is deemed essential for the achievement of appropriate environmental and social considerations such as the projects for which mitigation measures should be implemented while monitoring their effectiveness, project proponents must ensure that project plans include monitoring plans, and that such monitoring plans are feasible;
- It is desirable that project proponents make the results of monitoring processes available to project stakeholders; and
- When third parties point out, in concrete terms, that environmental and social considerations are not being fully undertaken, it is desirable that a forum for discussion and examination of countermeasures be established based on sufficient information disclosure and including the participation of stakeholders in the relevant project, and that an agreement be reached on procedures to be adopted with a view to resolving the problem.

## **Exhibit 2**

### **EIA Reports for Category A Projects**

The following conditions are met in principle:

- When assessment procedures already exist in host countries, and projects are subject to such procedures, borrowers and related parties must officially complete those procedures and obtain the approval of the government of the host country;
- EIA reports (which may be referred to differently in different systems) must be written in the official language or a language widely used in the country where the project is to be implemented. When explaining projects to local residents, written materials must be provided in a language and form understandable to them;
- EIA reports are required to be made available in the country where the project is to be implemented, including to the local residents. It is required that the EIA reports be available at all times for perusal by project stakeholders such as local residents, and that copying be permitted;
- In preparing EIA reports, consultation with stakeholders, such as local residents, must take place after sufficient information has been disclosed. Records, etc. of such consultations must be prepared;
- Consultations with relevant stakeholders, such as local residents, should take place if necessary throughout the preparation and implementation stages of a project. Having consultations is highly desirable, especially when the items to be considered in the EIA are being selected (i.e., scoping), and when the draft report has been prepared; and
- It is desirable that EIA reports cover the items enumerated in the Appendix hereto.

## Annex

### **Illustrative Environmental Impact Assessment Report for Category A Projects** <sup>NB</sup>

An EIA's scope and level of detail should be decided in accordance with the project's potential impacts. It is desirable that the EIA report cover the following items (not necessarily in the order shown):

- Executive Summary: concisely discusses significant findings and recommended actions.
- Policy, legal and administrative framework: discusses the policy, legal and administrative framework within which the EIA report is to be carried out.
- Project description: describes the proposed project and its geographic, ecological, social and temporal context, including any off-site investments that may be required (e.g. dedicated pipelines, access roads, power plants, water supply, housing, and raw material and product storage facilities). Indicates the need for any resettlement or indigenous peoples plan. Normally includes a map showing the project site and the area affected by the project.
- Baseline data: assesses the dimensions of the study area and describes relevant physical, biological, and socio-economic conditions, including all changes anticipated before the project commences. Additionally, takes into account current and proposed development activities within the project area but not directly connected to the project. Data should be relevant to decisions about project site, design, operation, or mitigatory measures; the section indicates accuracy, reliability and sources of the data.
- Environmental Impacts: predicts and assesses the project's likely positive and negative impacts, in quantitative terms to the extent possible. Identifies mitigation measures and any negative environmental impacts that cannot be mitigated. Explores opportunities for environmental enhancement. Identifies and estimates the extent and quality of available data, essential data gaps and uncertainties associated with predictions, and specifies topics that do not require further attention.
- Analysis of alternatives: systematically compares feasible alternatives to the proposed project site, technology, design and operation, including the "without project" situation, in terms of their potential environmental impacts; the feasibility of mitigating these impacts;



their capital and recurrent costs; their suitability under local conditions; and their institutional, training and monitoring requirements. For each of the alternatives, quantifies the environmental impacts to the extent possible, and attaches economic values where feasible. States the basis for selecting the particular project design proposed and offers justification for recommended emission levels and approaches to pollution prevention and abatement.

- Environmental Management Plan (EMP): describes mitigation, monitoring and institutional measures to be taken during construction and operation to eliminate adverse impacts, offset them, or reduce them to acceptable levels.
- Consultation: Record of consultation meetings, including consultations for obtaining the informed views of the affected people, local non-governmental organizations (NGOs) and regulatory agencies.

<sup>NB</sup> This Annex is based on the World Bank Safeguard Policy - OP 4.01, Annex B.

## **Appendix 1**

### **Information Required for Screening Process**

The following data shall be used in principle to conduct screening. When necessary, additional data may be required depending on the nature of the project and peripheral circumstances, etc.

#### Items to be Listed

##### 1. Permits and Approvals

- Need for permits and approvals for Environmental Impact Assessment
- Status of acquisition of permits and approvals for EIA
- Date of issue of permits and approvals for EIA
- Names of organizations issuing permits and approvals for EIA
- Status of acquisition of other environmental permits and approvals

##### 2. Project Details

- Location of project site
- Project Description
- Relevant sector
- Scale, etc. of project

##### 3. Environmental Impacts

- Degree of environmental impacts
- Existence of sensitive areas
- Existence of sensitive characteristics
- Scale of sensitive characteristics

## Appendix 2

### Categories and Items in Checklist

The checklists include the following categories and items related to the environment. When using these checklists, the appropriate items should be checked based on the sector and nature of the project.

Category	Item
1. Permits and approvals, explanations	<ul style="list-style-type: none"><li>• EIA and environmental permits</li><li>• Explanations to the Public</li></ul>
2. Anti-pollution measures	<ul style="list-style-type: none"><li>• Air quality</li><li>• Water quality</li><li>• Waste</li><li>• Soil contamination</li><li>• Noise and vibration</li><li>• Subsidence</li><li>• Odor</li><li>• Sediment</li></ul>
3. Natural environment	<ul style="list-style-type: none"><li>• Protected areas</li><li>• Ecosystem and biota</li><li>• Hydrology</li><li>• Topography and geology</li><li>• Management of abandoned sites</li></ul>
4. Social environment	<ul style="list-style-type: none"><li>• Resettlement</li><li>• Living and livelihood</li><li>• Heritage</li><li>• Landscape</li><li>• Ethnic minorities and indigenous peoples</li><li>• Working conditions (including occupational safety)</li></ul>
5. Other	<ul style="list-style-type: none"><li>• Impact during construction</li><li>• Accident prevention measures</li><li>• Monitoring</li></ul>

## Appendix 3

### Items Requiring Monitoring

Items requiring monitoring shall be decided according to the sector and nature of the project, with reference to the following list of items.

#### Items

##### 1. Permits and approvals, explanations

- Response to matters indicated by authorities

##### 2. Anti-pollution measures

- Air quality : SO<sub>2</sub>, NO<sub>2</sub>, CO, O<sub>2</sub>, soot and dust, suspended particulate matter, coarse particulate, etc.
- Water quality : pH, SS (suspended solids), BOD (biochemical oxygen demand) / COD (chemical oxygen demand), DO (dissolved oxygen), total nitrogen, total phosphorus, heavy metals, hydrocarbons, phenols, cyanogen compounds, mineral oils, water temperature, etc.
- Waste
- Noise and vibration
- Odors

##### 3. Natural environment

- Ecosystems : Impacts on valuable species, countermeasures, etc

##### 4. Social environment

- Resettlement
- Lifestyle and livelihood

NB: For air and water quality, specify whether you are monitoring emission levels or environmental

levels. Also, it should be noted that the items requiring monitoring will differ depending on whether the impacts in question will occur during construction or during operation of the project.