



# Environment and Social Policy of NABARD

**Background:** National Bank for Agriculture and Rural Development (NABARD) was established by an Act of the Parliament on 12 July 1982. The mission of NABARD is to “Promote sustainable and equitable agriculture and rural prosperity through effective credit support, related services, institution development and other innovative initiatives”. Thus, NABARD in pursuit of sustainable development evolved its interventions with significant environment and social concerns. Some of the major initiatives by NABARD with environmental and social components include:

- Watershed Development Programmes (soil ,water and crop management)
- UPNRM [Soil and water conservation, Plantation and horticulture, Forestry activities, Farming systems management, Climate change adaptation / Clean Development Mechanism (CDM)]
- Renewable energy (micro/mini-hydel, biomass based power generation, biofuels, wind-power, solar power)
- SHG & JLG programmes
- Tribal Development/Wadi prgramme

## 2. Need for an Environmental and Social Policy of NABARD:

While there were reflections of environment and social conscience in all its interventions there was no explicitly approved policy. NABARD as National Implementing Entity (NIE) of Adaptation Fund is implementing adaptation projects. Further, NABARD recently got accredited to the Green Climate Fund (GCF). As a part of the accreditation process, we are committed to put in place a board approved Environmental and Social Policy for NABARD at the earliest.

Although, NABARD has a system of screening large and multidisciplinary projects for environmental and social risks, presently it does not have a formal, structured and integrated environmental and social policy encompassing the following:

- an environmental and social risk screening system (for projects supported).
- an environmental and social risk management and safeguard system
- a transparent and effective mechanism for receiving and resolving complaints about environmental and social harms caused by projects/programmes during the course of implementation.
- a mechanism for public disclosure and consultation

Thus, it is felt that an Environmental and Social Policy (ESP) is a sine-qua-non not only for promoting sustainable and equitable agriculture and rural development but also for NABARD to be perceived as an ethical Development Financing Institution (DFI).

### 3. Objectives:

The objectives of the environmental and social policy of NABARD are:

**3.1** The policy is intended to ensure that in furthering NABARD's mission of "sustainable development", projects and programmes supported by NABARD does not result in unnecessary environmental and social harms. The policy is intended to build on the existing policies, operating procedures, and project cycle of NABARD.

**3.2** The due diligence conducted includes the level of social and environmental risks commensurate to the scale and nature of the project being financed. The ESP is integrated with the Credit Risk policy for an overall assessment of the projects.

**3.3** The Policy will generally bring NABARD's practices in line with the practice of other leading financing institutions active in environment and development financing.

**3.4** The policy will generally promote overarching principles viz. Pro-poor, Ensuring Sustainability, Community participation, Good Governance and Integrated and Need-based approach in all projects.

**3.5** Policy will encourage Project proponents and Implementing Entities of projects directly funded or supported through NABARD to have appropriate consideration for environmental and social impacts.

### 4. Scope and Coverage:

The applicability of the environment and social policy presently will be extended to the following types of large projects/programmes applicable to all projects approved by NABARD from the date of this policy. The scope and coverage will be reviewed for modification as considered necessary by the Management Committee of NABARD especially the following shall apply.

**4.1** All climate change related proposals and programmes for accessing Adaptation Fund, Green Climate Fund and other international fund.

**4.2** Project proposals and programme beyond **Rs 100 million** sanctioned directly by NABARD in the NRM sector i.e. UPNRM, Watershed, Wadi projects, etc.

**4.3** All other infrastructure project proposals, both loan and grant-in aid, beyond **Rs 5000 million** including projects sanctioned out of RIDF & NIDA.

**4.4** The environment and social policy will also be prescribed for projects and programmes supported with refinance assistance as also projects and programmes co-financed by NABARD.

**5. Applicability of Domestic norms/rules/Acts:** As a general rule the projects /programmes will be evaluated against the domestic norms, rules and Acts prescribed by Govt. of India, State governments or their representatives/agencies for compliance.

## **6. Canons of Environmental and Social Policy:**

**6.1 General Environmental and Social Commitment:** Environmental and social policies are fundamental to ensuring that NABARD does not support projects/programmes that unnecessarily harm the environment, the vulnerable communities or contributes to poverty, social inequality or gender discrimination.

NABARD shall:

**6.1.1** Have an environmental and social management system that ensures environmental and social risks are identified and assessed at the earliest possible stage of project/programme design,

**6.1.2** Adopt measures to avoid or where avoidance is impossible to minimize or mitigate or manage those risks during implementation, and

**6.1.3** Monitor the status of those measures during and at the end of implementation.

**6.1.4** There shall be adequate opportunities for the informed participation of stakeholders in the formulation and implementation of projects/programmes supported by NABARD.

## **6.2. Environmental and Social Performance Standards (PSs)**

**6.2.1** All projects/programmes supported by NABARD shall be designed and implemented to **promote** the following ten Environmental and Social Performance Standards (PSs) where relevant to project/programme. These Performance Standards are in line with the international best practices for assessment of environmental and social risk e.g. International Finance Corporation (IFC), Adaptation Fund, etc.

**6.2.2** Where it may not be possible to avoid totally some amount of environmental or social costs, the overall benefits from the project will be evaluated. The project/programme can be considered for support by NABARD provided adequate measures are put in place for mitigating or adapting to the adverse impact anticipated from the project/programme.

### **PS1: Assessment and management of environmental and social risks and impacts**

- (a) Identify funding proposal's environmental and social risks and impacts;
- (b) Adopt mitigation and adaptation hierarchy: anticipate, avoid; minimize; compensate or offset;
- (c) Improve performance through an environmental and social management system;
- (d) Engagement with affected communities or other stakeholders throughout funding proposal cycle. This includes communications and grievance mechanisms.

### **PS2: Labour and working conditions that promotes**

- (a) Fair treatment, non-discrimination, equal opportunity;
- (b) Good worker–management relationship;
- (c) Compliance with national employment and labour laws;
- (d) Protection of workers, in particular those in vulnerable categories; (e) Occupational safety and health;

### **PS3: Resource efficiency and pollution prevention**

- (a) Promotes avoidance, minimization or reduction of project-related pollution (Air, Water, Land, Noise, etc.);
- (b) Promotes more sustainable use of resources, including land, energy and water;
- (c) Promotes reduction in project-related greenhouse gas emissions.

### **PS4: Promotes Community health, safety and security**

- (a) To anticipate and minimize adverse impacts on the health and safety of the affected community;
- (b) To safeguard personnel and property in accordance with relevant human rights principles.

## **PS5: Land acquisition and involuntary resettlement**

(a) Avoid/minimize adverse social and economic impacts from land acquisition or restrictions on land use:

- (i) Avoid/minimize displacement;
- (ii) Provide alternative project designs;
- (iii) Avoid forced eviction.

(b) Improve or restore livelihoods and standards of living;

(c) Improve living conditions among displaced persons by providing:

- (i) Adequate housing;
- (ii) Security of tenure.

## **PS6: Biodiversity Conservation and sustainable management of living natural resources**

- (a) Protection and conservation of biodiversity;
- (b) Maintenance of benefits from ecosystem services;
- (c) Promotion of sustainable management of living natural resources;
- (d) Integration of conservation needs and development priorities.

## **PS7: Indigenous peoples**

(a) Ensure full respect for indigenous peoples

- human rights, dignity, aspirations;
- livelihoods;
- culture, knowledge, practices;

(b) Avoid/minimize adverse impacts;

(c) Sustainable and culturally appropriate development benefits and opportunities;

(d) Free, prior and informed consent in certain circumstances.

### **PS8: Cultural heritage**

- (a) Protection and preservation of cultural heritage including avoiding the alteration, damage, or removal of any physical cultural resources, cultural sites, and sites with unique natural values recognized as such at the community, national or international level.
- (b) Promotion of equitable sharing of cultural heritage benefits.

### **PS9: Gender Equity and Women's Empowerment**

Both women and men:

- (a) Participate fully and equitably;
- (b) Receive comparable social and economic benefits; and
- (c) Do not suffer disproportionate adverse effects

### **PS10: Access and Equity and protection of Human Rights**

- (a) Provide fair and equitable access in an inclusive manner
- (b) Does not impede access to basic health services, clean water and sanitation, energy, education, housing, safe and decent working conditions, and land rights.
- (c) Does not exacerbate existing inequities, particularly with respect to marginalized or vulnerable groups including children, women and girls, the elderly, tribal groups, displaced people, refugees, people living with disabilities, and people living with HIV/AIDS.
- (d) Respect and where applicable promote human rights.

## **7. Environmental and Social Management System**

The Implementing Entity and institutions supported by NABARD shall be responsible for screening all projects/programmes to determine the extent to which they present environmental or social risks, including all risks associated with NABARD's environmental and social principles identified above. Implementing entities proposing projects/ programmes that present environmental and social risks shall ensure that the environmental and social impacts of such projects/programmes are thoroughly assessed; that measures are identified for avoiding, reducing or mitigating all environmental and social impacts; and that the implementation of such measures is monitored and reported on through the life of the project/programme. The environmental and social risk management system shall be commensurate in scope

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and ambition to the potential scope and severity of environmental and social risks inherent in the project/programme design.

Wherever, the Implementing Entity does not have the requisite capabilities for assessing and managing Environmental and Social Risks, NABRD will guide the Implementing Entity in these tasks either through its own staff and/or through Consultants and the cost for the same will be a part of the Project Cost.

## 8. Environmental and Social Policy Delivery Process

### 8.1 Screening of Environmental and Social Risks by the Implementing Entity

All proposed projects/programmes shall be screened by the implementing entities to determine their potential to cause environmental or social harm. An illustrative list of sensitive sectors, characteristics, and areas is furnished as Annexure –I to facilitate screening process.

The screening process shall seek to identify potential environmental and social impacts and risks, taking into consideration NABARD's environmental and social performance standards outlined above. The screening process shall consider all potential direct, indirect, trans boundary, and cumulative impacts in the project's/programme's area of influence that could result from the proposed project/programme. A format for screening a project and the checklist for screening are furnished as Annexure -II and Annexure-III .

All proposed projects/programmes shall be categorized according to the scale, nature and severity of their potential environmental and social impacts. The following classification will be adopted.

| <b>Sr. No</b> | <b>Category of Project/Programme</b> | <b>Remarks</b>  |
|---------------|--------------------------------------|---|
| <b>1</b>      | <b>A</b>                             | Projects/programmes likely to have significant adverse environmental or social impacts that are for example diverse, widespread, or irreversible.   |
| <b>2</b>      | <b>B</b>                             | Projects/programmes with potential adverse impacts that are less adverse than Category A projects/programmes, because for example they are fewer in number, smaller in scale, less widespread, reversible or easily mitigated |
| <b>3</b>      | <b>C</b>                             | Those projects/programmes with no adverse environmental or social impacts   |
| <b>4</b>      | <b>D</b>                             | Projects and Programmes which contributes positively to improvement in environmental and social parameters.   |

The screening will determine the extent to which the project/programme requires further environmental and social assessment, mitigation, and management. The results of the environmental screening shall be included in the project/programme proposal initially submitted by the implementing entity to NABARD. If during the project/programme review process NABARD determines that further information on the environmental and social assessment, mitigation, and management of risks is required, the implementing entities can be asked to provide it. If appropriate, this will be reflected in the agreement between NABARD and the implementing entity. Regardless of the outcome of the screening procedure, all proposed projects/programmes shall comply with NABARD's environmental and social performance standards and applicable national and local laws and regulations.

## **9. Environmental and Social Assessment**

**9.1** For all projects/programmes that have the potential to cause environmental or social affect (i.e. all Category A and B projects/programmes), the implementing entity shall prepare an environmental and social assessment that identifies any environmental or social risks, including any potential risks associated with NABARD's environmental and social performance standards set forth above. The assessment shall (i) consider all potential direct, indirect, trans boundary, and cumulative impacts and risks that could result from the proposed project/programme; (ii) assess alternatives to the project/programme; and (iii) assess possible measures to avoid, minimize, or mitigate environmental and social risks of the proposed project/programme. As a general rule, the environmental and social assessment shall be completed before the project/programme proposal submission to NABARD. In some Category B projects/programmes where the proposed activities requiring such assessment represent a minor part of the project, and when inclusion in the proposal is not feasible, a timeline for completing the environmental and social assessment before construction begins shall be incorporated in the agreement between NABARD and the implementing entity following the project/programme approval, and reported through the annual project/programme performance report. A copy of the environmental and social assessment shall be provided to NABARD as soon as the assessment is completed.

Prior to submitting the environmental and social assessment, NABARD, may require further information from the implementing entity on the environmental and social assessment, mitigation, and management of risks, if deemed necessary.

**9.2** Outline of an Environmental Assessment Report: An environmental assessment report is required for all environment category A and B projects. Its level of detail and comprehensiveness is commensurate with the significance of potential environmental impacts and risks. A typical Environmental Impact Assessment (EIA) report contains the major elements listed in Annexure-IV, and an Initial Environmental Examination (IEE) may have a narrower scope depending on the nature of the project. The substantive aspects of this outline will guide the preparation of environmental impact assessment reports, although not necessarily in the order shown.



## **10. Environmental and Social Management Plan**

**10.1** Where the environmental and social assessment identifies environmental or social risks, the assessment shall be accompanied by an environmental and social management plan that identifies those measures necessary to avoid, minimize, or mitigate the potential environmental and social risks, especially those risks that cannot be avoided. A commitment by the implementing entity to implement the management plan shall be a condition of the project/programme approval and reflected in the monitoring and reporting plan for that project/programme.

**10.2** Further, NABARD would also evolve environmental and social management plan for projects under category A and B. Reporting systems would include identification and management of risks (including unanticipated risks and impacts). NABARD would designate roles responsible for implementing the programme and management of such programmes.

## **11. Monitoring, Reporting, and Evaluation**

Implementing entities' monitoring and evaluation of projects/programmes supported by NABARD shall address all environmental and social risks identified by the implementing entity during project/programme assessment, design, and implementation. The implementing entities' annual project/programme performance reports shall include a section on the status of implementation of any environmental and social management plan, including those measures required to avoid, minimize, or mitigate environmental and social risks. The reports shall also include, if necessary, a description of any corrective actions that are deemed necessary. The mid-term and terminal evaluation reports shall also include an evaluation of the project/programme performance with respect to environmental and social risks.

## **12. Public Disclosure and Consultation**

Implementing entities shall identify stakeholders and involve them as early as possible in planning any project/programme supported by NABARD. The results of the environmental and social screening and a draft environmental and social assessment, including any proposed management plan, shall be made available for public consultations that are timely, effective, inclusive, and held free of coercion and in an appropriate way for communities that are directly affected by the proposed project/programme. NABARD will publicly disclose the final environmental and social assessment through its website as soon as it is received. The implementing entity is responsible for disclosing the final environmental and social assessment to project-affected people and other stakeholders. Project/programme performance reports including the status on implementation of environmental and social measures shall be publicly disclosed. Any significant proposed changes in the project/programme during implementation shall be made available for effective and timely public consultation with directly affected communities.

### **13. Grievance Mechanism**

The implementing entities shall identify a grievance mechanism that provides people affected by projects/programmes supported by NABARD with an accessible, transparent, fair and effective process for receiving and addressing their complaints about environmental or social harms caused by any such project/programme. The mechanism can be national, local, or institution- or project-specific. Complaints regarding projects/programmes supported by NABARD can also be filed at Department specific e-mail ids to be created for filing complain on environmental and social issues. A centralized system of monitoring the action taken and disposal of such complains shall be put in place.

### **14. Role and responsibility:**

#### **14.1 Roles and Obligations of Implementing Entities:**

The Implementing Entity is responsible for assessing projects and their environmental and social impacts, preparing safeguard plans, and engaging with affected communities through information disclosure, consultation, and informed participation following all policy principles and safeguard requirements. The Implementing Entity will submit all required information, including assessment reports, safeguard plans/frameworks, and monitoring reports, to NABARD for review.

#### **14.2 Roles and Obligations of NABARD:**

14.2.1 NABARD is responsible for screening projects undertaking due diligence; and reviewing the Implementing Entity's social and environmental assessments and plans to ensure that safeguard measures are in place to avoid, wherever possible, and minimize, mitigate, and compensate for adverse social and environmental impacts in compliance with NABARD's Environmental and Social Performance Standards, determining the feasibility of NABARD's financing; helping the Implementing Entities in building capacity to deliver the safeguards; and monitoring and supervising the Implementing Entity's social and environmental performance throughout the project cycle. In particular the following procedure will be undertaken by NABARD as a part of its overall environmental management system:

14.2.2 Prior to providing any loans to a customer, NABARD will verify that the proposed business activity is not on the Bank's prohibited activities list (as provided in **Annexure V**)

14.2.3 For all proposals received from Clients, NABARD shall undertake an initial assessment of whether the relevant business activities of the customer, in the reasonable opinion of the National Bank, have the potential to have an adverse

environmental or social impact as per the Performance Standard PS2 TO PS10 as identified at para 6.2 above.

14.2.4 In the event that NABARD determines, in its reasonable opinion, that the relevant business activities of the customer have the potential to have an adverse environmental or social impact, it shall, prior to providing any loans, advisory or other services to such customer undertake a detailed and comprehensive assessment (as per detailed Environmental Impact Assessment Study Report provided in **Annexure IV**) as part of the due diligence process in order to reasonably satisfy itself that the relevant business activities of the customer comply with all applicable environmental & social requirements

14.2.5 In the event that NABARD is not able to reasonably satisfy itself that the relevant business activities of the customer comply with all applicable environmental & social requirements, it shall either:

- (i) decline to provide any loan, grant, advisory or other services to such customer; or
- (ii) offer to provide the relevant loan, advisory or other services subject to the condition that the customer shall implement an agreed corrective action plan within a specified period of time

### **14.3 Organizational capacity and competency:**

Implementing Entities key E&S responsibilities would be defined and communicated, and supported with technical and financial resources. Technical staff with direct responsibility for the project/programme performance would have the knowledge, skills and experience necessary to understand and ensure implementation of E & S Performance Standards. NABARD would also build organizational and manpower competencies related to E&S responsibilities.

### **14.4 Implementation and Monitoring by NABARD**

The implementation of the Environment and Social Policy (ESP) at the corporate level will be guided by 3-year medium term action plans, beginning with the financial year 2015–2016. The action plans should be developed based on the following key elements:

- (i) Supporting capacity development of Implementing Entities (borrowers/clients) for Environmental and Social Assessment, safeguard delivery;

(ii) Developing and maintaining the tools and instruments (such as Manuals and handbooks) to assist in implementing ESP;

(iii) Ensuring NABARD's organizational capacity and resources for ESP implementation; and

(iv) Improving and maintaining NABARD's internal review and compliance monitoring system.

## 15. Resource Implications

NABARD will allocate appropriate resources to ensure effective implementation of the ESP. Immediate requirements for implementation of the Policy include:

- (i) Hiring of experts in the field from the market for environmental and social risk assessment and management.
- (ii) Training and Capacity building of NABARD officers and Implementing Entities/Clients.
- (iii) Hiring of Consultants for preparation of Manuals, Handbooks for use by NABARD and clients.

## 16. Risks involved:

The potential environment and social risk for NABARD especially in funding environment sensitive and large projects can be decomposed into three major risks:

- (a) **Reputation loss:** The risk to the reputation and brand name of NABARD due to gross violation of environmental and social norms by projects/clients funded by it.
- (b) **Credit risk:** the risk of counter party default in performing repayment obligations due to environmental liability or cost from an economic activity funded by NABARD.
- (c) **Legal risk:** the risk of getting entangled in costly and long drawn out legal battles due to extended liability from non-compliance with legal acts on environment and related parameters by clients of NABARD.

On the other hand, putting in place and implementing a structured Environment and Social Policy in NABARD will be facilitated by the following factors:

- (i) NABARD's rich experience in funding projects in the Natural Resource Management Sector.
- (ii) NABARD undertakes Social Cost Benefit Analysis and assess the Economic Rate of Return (ERR) while undertaking appraisal of projects posed under RIDF.
- (iii) The project appraisal under UPNRM gives due weightage to sustainability, social parameters.

**17.** The Policy cannot specifically anticipate and encompass all circumstances and, consequently, it is conceivable that the NABARD may approve departures from one or more of the directives in the Policy. In such circumstances, proposals advocating any such departure in either programming or in project development and execution must demonstrate the exceptional characteristics of the situation that justify the departure.

## **Annexure -I**

### **Illustrative List of Sensitive Sectors, Characteristics, and Areas**

The project of sensitive sectors, characteristics, and areas shown in this illustrative list are those that will likely have a significant adverse impact on the environment and society. Each individual project is categorized in accordance with the standards for “Category A & B” indicated in the categorization section of the guidelines, depending on the impacts of the individual projects. Consequently, projects that are likely to have a significant adverse impact on the environment and society are categorized as “Category A & B” even if they are not included in the sectors, characteristic, or areas on the list.

#### **1. Sensitive Sectors**

Large-scale projects in the following sectors:

- (1) Mining, including oil and natural gas development
- (2) Oil and gas pipelines
- (3) Industrial development
- (4) Thermal power, including geothermal power
- (5) Hydropower, dams, and reservoirs
- (6) Power transmission and distribution lines involving large-scale involuntary resettlement, large-scale logging, or submarine electrical cables
- (7) River/erosion control
- (8) Roads, railways, and bridges
- (9) Airports
- (10) Ports and harbors
- (11) Water supply, sewage, and wastewater treatment that have sensitive characteristics or that are located in sensitive areas or in their vicinity
- (12) Waste management and disposal
- (13) Agriculture involving large-scale land clearing or irrigation

## **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 that are thought 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, tidal flats, etc.)
- c) Habitats of rare species that require 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

**Annexure -II**  
**Screening Format**

**1. Name of Proposed Project:**

**2. Project Implementing Organization/ Project Proponent:**

Name:

Address:

Contact Point of a Responsible Officer:

Name:

Tel:

Fax:

E-Mail:

Date:

Signature

**3. Address of project site:**

**4: Scale and contents of the project (approximate area, facilities area, production, electricity generated, etc.)**

**4.1 Project profile (scale and contents)**

**4.2. How was the necessity of the project confirmed?**

**Is the project consistent with the higher program/policy?**

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YES: Please describe the higher program/policy.

NO

4.3. Did the proponent consider alternatives before this request?

YES: Please describe outline of the alternatives ( )

NO

4-4. Did the proponent had meetings with the related stakeholders before this request?

held meetings

No meetings

4.5 If meeting held, please mark the following stakeholders.

Administrative body Local residents' NGO Others

4.6 Does the project include any of the following items?

If yes, please mark the items included in the project.

- i. Involuntary resettlement (scale: households persons)
- ii. Groundwater pumping (scale: m<sup>3</sup>/year)
- iii. Land reclamation, land development, and/or
- iv. land-clearing (scale: hectors)
- v. Logging (scale: hectors)

4.7 Is the project a new one or an ongoing one? In the case of an ongoing project, have you received strong complaints or other comments from local residents?

- i. New
- ii. Ongoing (with complaints)
- iii. Ongoing (without complaints)
- iv. Other

4.8 Is an Environmental Impact Assessment (EIA), including an Initial Environmental Examination (IEE), required for the project .If yes, is EIA implemented or planned? If necessary, please fill in the reason why EIA is required.

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Necessity Implemented Ongoing/planning)

(Reason why EIA is required :)

Not necessary

Other (please explain)

4.9 In the case that steps were taken for an EIA, was the EIA approved by the relevant laws of our country? If yes, please note the date of approval and the competent authority.

|   |  |  |
|---|--|--|
| <input type="checkbox"/> Approved without a supplementary condition | <input type="checkbox"/> Approved with a supplementary condition | <input type="checkbox"/> Under appraisal |
|---|--|--|

(Date of approval: Competent authority :)

- i. Under implementation
- ii. Appraisal process not yet started
- iii. Other

5. Are any of the following areas present either inside or surrounding the project site?

Yes /No

If yes, please mark the corresponding items.

- National parks, protection areas designated by the government (coastline, wetlands, reserved area for ethnic or indigenous people, cultural heritage)
- Primeval forests, tropical natural forests
- Ecologically important habitats (coral reefs, mangrove wetlands, tidal flats, etc.)
- Habitats of endangered species for which protection is required under local laws and/or international treaties
- Areas that run the risk of a large scale increase in soil salinity or soil erosion
- Remarkable desertification areas
- Areas with special values from an archaeological, historical, and/or cultural points of view
- Habitats of minorities, indigenous people, or nomadic people with a traditional lifestyle, or areas with special social value

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6. Does the project include any of the following items?

Yes/No

If yes, please mark the appropriate items.

- Involuntary resettlement (scale: households persons)
- Groundwater pumping (scale: m3/year)
- Land reclamation, land development, and/or land-clearing (scale: hectares)
- Logging (scale: hectares)

**7. Please mark related environmental and social impacts, and describe their outlines.**

- Air pollution
- Water pollution
- Soil pollution
- Waste
- Noise and vibrations
- Ground subsidence
- Offensive odors
- Geographical features
- Bottom sediment
- Biota and ecosystems
- Water usage
- Accidents
- Global warming
- Involuntary resettlement
- Local economies, such as employment, livelihood, etc.
- Land use and utilization of local resources

- Social institutions such as social infrastructure and local decision-making institutions
- Existing social infrastructures and services
- Poor, indigenous, or ethnic people
- Misdistribution of benefits and damages
- Local conflicts of interest
- Limitation of accessibility to information, meetings, etc. on a specific person or group
- Gender
- Children's rights
- Cultural heritage
- Infectious diseases such as HIV/AIDS
- Other ( )

**Outline of related impact:**

## Annexure -III

### **Categories and Items in Checklist**

These 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
  - EIA and environmental permits
  - Explanations to the public
  
2. Anti-pollution measures
  - Air quality
  - Water quality
  
  - Waste
  
  - Soil contamination
  
  - Noise and vibration
  
  - Subsidence
  
  - Odor
  
  - Sediment
  
3. Natural environment
  - Protected areas
  - Ecosystem
  
  - Hydrology
  
  - Topography and geology
  
  - Management of abandoned sites

4. Social environment

- Resettlement
- Living and livelihood

- Heritage

- Landscape

□ Ethnic minorities and indigenous peoples

- Working conditions (including occupational safety)

5. Other

- Impact during construction
- Accident prevention measures

## **Annexure: IV**

### **OUTLINE OF AN ENVIRONMENTAL IMPACT ASSESSMENT (EIA) REPORT**

An environmental assessment report is required for all environment category A and B projects. Its level of detail and comprehensiveness is commensurate with the significance of potential environmental impacts and risks. A typical EIA report contains the following major elements, and an Initial Environmental Examination (IEE) may have a narrower scope depending on the nature of the project. The substantive aspects of this outline will guide the preparation of environmental impact assessment reports, although not necessarily in the order shown.

#### **A. Executive Summary**

This section describes concisely the critical facts, significant findings, and recommended actions.

#### **B. Policy, Legal, and Administrative Framework**

This section discusses the national and local legal and institutional framework within which the environmental assessment is carried out. It also identifies project-relevant international environmental agreements to which the country is a party.

#### **C. Description of the Project**

This section describes the proposed project; its major components; and its geographic, ecological, social, and temporal context, including any associated facility required by and for the project (for example, access roads, power plants, water supply, quarries and borrow pits, and spoil disposal). It normally includes drawings and maps showing the project's layout and components, the project site, and the project's area of influence.

## **D. Description of the Environment (Baseline Data)**

This section describes relevant physical, biological, and socioeconomic conditions within the study area. It also looks at current and proposed development activities within the project's area of influence, including those not directly connected to the project. It indicates the accuracy, reliability, and sources of the data.

## **E. Anticipated Environmental Impacts and Mitigation Measures**

This section predicts and assesses the project's likely positive and negative direct and indirect impacts to physical, biological, socioeconomic (including occupational health and safety, community health and safety, vulnerable groups and gender issues, and impacts on livelihoods through environmental media and physical cultural resources in the project's area of influence, in quantitative terms to the extent possible; identifies mitigation measures and any residual negative impacts that cannot be mitigated; explores opportunities for enhancement; identifies and estimates the extent and quality of available data, key data gaps, and uncertainties associated with predictions and specifies topics that do not require further attention; and examines global, trans boundary, and cumulative impacts as appropriate.

## **F. Analysis of Alternatives**

This section examines alternatives to the proposed project site, technology, design, and

Operation—including the no project alternative—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. It also states the basis for selecting the particular project design proposed and, justifies recommended emission levels and approaches to pollution prevention and abatement.

## **G. Information Disclosure, Consultation, and Participation**

This section:

- (i) describes the process undertaken during project design and preparation for engaging stakeholders, including information disclosure and consultation with affected people and other stakeholders;



(ii) summarizes comments and concerns received from affected people and other stakeholders and how these comments have been addressed in project design and mitigation measures, with special attention paid to the needs and concerns of vulnerable groups, including women, the poor, and Indigenous Peoples; and (iii) describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for carrying out consultation with affected people and facilitating their participation during project implementation.

## **H. Grievance Redress Mechanism**

This section describes the grievance redress framework (both informal and formal Channels), setting out the time frame and mechanisms for resolving complaints about environmental performance.

## **I. Environmental Management Plan**

This section deals with the set of mitigation and management measures to be taken during project implementation to avoid, reduce, mitigate, or compensate for adverse environmental impacts (in that order of priority). It may include multiple management plans and actions. It includes the following key components (with the level of detail commensurate with the project's impacts and risks):

### **(i) Mitigation:**

(a) identifies and summarizes anticipated significant adverse environmental impacts and risks;

(b) describes each mitigation measure with technical details, including the type of impact to which it relates and the conditions under which it is required (for instance, continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate; and

(c) provides links to any other mitigation plans (for example, for involuntary resettlement, Indigenous Peoples, or emergency response) required for the project.

### **(ii) Monitoring:**

(a) describes monitoring measures with technical details, including parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits and definition of thresholds that will signal the need for corrective actions; and

(b) describes monitoring and reporting procedures to ensure early detection of conditions that necessitate particular mitigation measures and document the progress and results of mitigation.

### **(iii) Implementation arrangements:**

(a) specifies the implementation schedule showing phasing and coordination with overall project implementation; (b) describes institutional or organizational arrangements, namely, who is responsible for carrying out the mitigation and monitoring measures, which may include one or more of the following additional topics to strengthen environmental management capability: technical assistance programs, training programs, procurement of equipment and supplies related to environmental management and monitoring, and organizational changes; and (c) estimates capital and recurrent costs and describes sources of funds for implementing the environmental management plan.(iv) Performance indicators: describes the desired outcomes as measurable events to the extent possible, such as performance indicators, targets, or acceptance criteria that can be tracked over defined time periods.

## **J. Conclusion and Recommendation**

This section provides the conclusions drawn from the assessment and provides recommendations.

## **Annexure V**

### List of Prohibitive Activities

- (i) production or activities involving harmful or exploitative forms of forced labor (forced labor means all work or service not voluntarily performed, that is extracted from an individual) child labor (child labor means the employment of children whose age is below the statutory minimum age of employment in India.
- (ii) production of or trade in any product or activity deemed illegal as per domestic laws or regulations;
- (iii) production of or trade in any product or activity that contravenes any international conventions and agreements to which India is a party, and which have the force of law in India;
- (iv) production of or trade in weapons and munitions including paramilitary materials;
- (v) production of or trade in tobacco ;( This does not apply if the activity concerned is ancillary to a project's (or subproject's) primary operations);
- (vi) production or trade in alcoholic beverages (excluding beer and wine)
- (vii) gambling, casinos, and equivalent enterprises
- (viii) trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species (CITES) of Wild Fauna and Flora;( A list of CITES is available from [www.cites.org](http://www.cites.org))
- (ix) production or trade in radioactive materials including nuclear reactors and components thereof. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where the radioactive source is considered to be trivial and/or adequately shielded.
- (x) commercial logging operations or the purchase of logging equipment for use in primary tropical moist forest;
- (xi) Production or trade in wood or other forestry products other than from sustainably managed forests
- (xiii) production, commercial-scale use, trade, storage, or transport of products containing polychlorinated biphenyls; A group of highly toxic chemicals,

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polychlorinated biphenyls, are likely to be found in oil-filled electrical transformers, capacitors, and switchgear dating from 1950 to 1985. and hazardous chemicals(A list of hazardous chemicals is available from [www.pic.int](http://www.pic.int));

(xiv) production of or trade in pharmaceuticals (list of pharmaceutical products subject to phase-outs or bans is available from [www.who.int](http://www.who.int)), pesticides/herbicides (A list of pesticides and herbicides subject to phase-outs or bans is available from [www.pic.in](http://www.pic.in)), or ozonedepleting substances .(A list of the chemical compounds that react with and deplete stratospheric ozone, resulting in the widely publicized ozone holes is listed in the Montreal Protocol, together with target reduction and phase out dates. <http://www.unep.org/ozone/montreal.shtml> )subject to international phase outs or bans.

(xvi) Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.